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Commission for Social Development
Fifty-sixth session
29 January–7 February 2018
Item 2 of the provisional agenda
Adoption of the agenda and other organizational matters

Provisional annotated agenda and proposed organization of work

Provisional agenda

1. Election of officers.
2. Adoption of the agenda and other organizational matters.
3. Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly:
   (a) Priority theme: strategies for eradicating poverty to achieve sustainable development for all;
   (b) Review of relevant United Nations plans and programmes of action pertaining to the situation of social groups:
      (i) World Programme of Action concerning Disabled Persons;
      (ii) Standard Rules on the Equalization of Opportunities for Persons with Disabilities;
      (iii) World Programme of Action for Youth;
      (iv) Madrid International Plan of Action on Ageing, 2002;
      (v) Family issues, policies and programmes;
   (c) Emerging issues: towards sustainable and resilient societies: innovation and interconnectivity for social development.
4. Programme questions and other matters.
5. Provisional agenda for the fifty-seventh session of the Commission.
6. Adoption of the report of the Commission on its fifty-sixth session.

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Annotations

1. Election of officers

Rule 15 of the rules of procedure of the functional commissions of the Economic and Social Council stipulates that, at the commencement of the first meeting of a regular session, the Commission shall elect from among the representatives of its members a Chair, one or more Vice-Chairs and such other officers as may be required. In subparagraph (e) of its decision 2002/210, the Economic and Social Council decided that, immediately following the closure of a regular session, the Commission for Social Development would hold the first meeting of its subsequent regular session for the sole purpose of electing the new Chair and other members of the Bureau. In its resolution 2016/6, the Council reaffirmed that the officers elected to the Bureau of the Commission would continue to be elected for a term of office of two years, in parallel with the 2017–2018 review and policy cycle. Accordingly, the Commission held the first meeting of its fifty-sixth session on 10 February 2017, immediately following the closure of the fifty-fifth session, and elected by acclamation Bruno Rios Sánchez (Mexico) and Yao Shaojun (China) as Vice-Chairs of the fifty-sixth session. At the same meeting, the Commission postponed the election of the Chair from the Western European and other States and the Vice-Chair from the African States.

Subsequently, the Western European and other States nominated Nikulás Hannigan (Iceland) as Chair, the African States nominated Lot Dzonzi (Malawi) as Vice-Chair and the Eastern European States nominated Mihaela Mecea (Romania) as Vice-Chair of the Commission at its fifty-sixth session.

On 29 January 2018, the Commission will be invited to elect the Chair from the Western European and other States and Vice-Chairs from the African States and the Eastern European States, and to designate one of its Vice-Chairs as Rapporteur.

2. Adoption of the agenda and other organizational matters

Rule 7 of the rules of procedure requires that, after the election of its officers at the beginning of each session, the Commission shall adopt the agenda for that session on the basis of the provisional agenda. The provisional agenda and documentation for the fifty-sixth session of the Commission were approved by the Economic and Social Council in its decision 2017/231.

The proposed organization of work of the Commission at its fifty-sixth session (see annex I) has been prepared pursuant to relevant decisions of the General Assembly and the Economic and Social Council to facilitate the consideration of agenda items within the time frame available and in accordance with the conference services allocated to the Commission. The timetable should be considered tentative and indicative: if the Commission completes its consideration of an item ahead of schedule, it may wish to proceed immediately to the next item.

The Commission is scheduled to meet from Monday, 29 January, to Wednesday, 7 February 2018. Arrangements have been made to hold morning and afternoon meetings during the session: morning meetings will be held from 10 a.m. to 1 p.m. and afternoon meetings from 3 p.m. to 6 p.m.

Documentation

Provisional annotated agenda and proposed organization of work (E/CN.5/2018/1)

3. Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly

In accordance with General Assembly resolution 55/46 on the implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the Assembly entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world", the Commission will undertake regular assessment of the implementation of the Copenhagen commitments and the further initiatives adopted in Geneva.

Documentation

Report of the Secretary-General on the social dimensions of the New Partnership for Africa's Development (E/CN.5/2018/2)

(a) Priority theme: strategies for eradicating poverty to achieve sustainable development for all

In its resolution 2016/6, the Economic and Social Council decided that the priority theme for the 2017-2018 review and policy cycle would be "Strategies for eradicating poverty to achieve sustainable development for all". The Commission will complete the biennial cycle by adopting action-oriented policy recommendations on strategies for the eradication of poverty to achieve sustainable development for all at its fifty-sixth session, in 2018. The Commission will have before it the report of the Secretary-General on the priority theme.

Documentation

Report of the Secretary-General on strategies for eradicating poverty to achieve sustainable development for all (E/CN.5/2018/3)

(b) Review of relevant United Nations plans and programmes of action pertaining to the situation of social groups

(i) World Programme of Action concerning Disabled Persons

(ii) Standard Rules on the Equalization of Opportunities for Persons with Disabilities

(iii) World Programme of Action for Youth

(iv) Madrid International Plan of Action on Ageing, 2002

(v) Family issues, policies and programmes

The Commission will consider issues pertaining to the situation of social groups.

Documentation

Report of the Secretary-General on the third review and appraisal of the Madrid International Plan of Action on Ageing, 2002 (E/CN.5/2018/4)

Report of the Secretary-General on the implementation of the objectives of the International Year of the Family and its follow-up processes (A/73/61-E/2018/4)

(c) Emerging issues: towards sustainable and resilient societies: innovation and interconnectivity for social development

In its resolution 2006/18, the Economic and Social Council decided to include the agenda item entitled "Emerging issues" in the programme of work of the Commission. The members of the Bureau, in consultation with their respective

regional groups, agreed that the theme for discussion under this agenda item during the fifty-sixth session would be "Towards sustainable and resilient societies: innovation and interconnectivity for social development". A note by the Secretariat will be available to facilitate the discussion.

Documentation

Note by the Secretariat entitled "Emerging issues: towards sustainable and resilient societies: innovation and interconnectivity for social development" (E/CN.5/2018/5)

4. Programme questions and other matters

5. Provisional agenda for the fifty-seventh session of the Commission

In accordance with rule 9 of the rules of procedure of the functional commissions of the Economic and Social Council, the Commission will have before it the draft provisional agenda for its fifty-seventh session, together with an indication of the documentation to be submitted for its consideration.

Documentation

Draft provisional agenda for the fifty-seventh session of the Commission (E/CN.5/2018/L.1)[1]

6. Adoption of the report of the Commission on its fifty-sixth session

In accordance with rule 37 of the rules of procedure of the functional commissions of the Economic and Social Council, the Commission shall submit to the Council a report on the work of its fifty-sixth session.

Documentation

Draft report of the Commission on its fifty-sixth session (E/CN.5/2018/L.2)[1]

[1] To be issued as an in-session document.

Annex I

Proposed organization of work (29 January–7 February 2018)

Date	*Agenda item*	*Documentation/programme*
Week of 29 January–2 February 2018		
Monday, 29 January		
a.m.	1. Election of officers	
	2. Adoption of the agenda and other organizational matters	Provisional annotated agenda and proposed organization of work (E/CN.5/2018/1)
	3. Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly	Introduction of documentation under agenda item 3, including its sub-items (a) and (b) Report of the Secretary-General on the social dimensions of the New Partnership for Africa's Development (E/CN.5/2018/2)
	(a) Priority theme: strategies for eradicating poverty to achieve sustainable development for all	Report of the Secretary-General on strategies for eradicating poverty to achieve sustainable development for all (E/CN.5/2018/3)
	(b) Review of relevant United Nations plans and programmes of action pertaining to the situation of social groups	
	(i) World Programme of Action concerning Disabled Persons	
	(ii) Standard Rules on the Equalization of Opportunities for Persons with Disabilities	
	(iii) World Programme of Action for Youth	
	(iv) Madrid International Plan of Action on Ageing, 2002	Report of the Secretary-General on the third review and appraisal of the Madrid International Plan of Action on Ageing, 2002 (E/CN.5/2018/4)
	(v) Family issues, policies and programmes	Report of the Secretary-General on the implementation of the objectives of the International Year of the Family and its follow-up processes (A/73/61-E/2018/4)
	3 (a) and (b)	Introductory statements General discussion begins
p.m.	3 (a) (*continued*)	High-level panel discussion on item 3 (a)
Tuesday, 30 January		
a.m.	3 (a) and (b) (*continued*)	General discussion continues
p.m.	3 (c) Emerging issues: towards sustainable and resilient societies: innovation and interconnectivity for social development	Note by the Secretariat entitled "Emerging issues: towards sustainable and resilient societies: innovation and interconnectivity for social development" (E/CN.5/2018/5)
Wednesday, 31 January		
a.m.	3 (b) (*continued*)	High-level panel discussion on the topic "Third review and appraisal of the Madrid Plan of Action on Ageing"
p.m.	3 (b) (*continued*)	Panel discussion on the topic "Towards inclusive, resilient and sustainable development: an evidence-based approach to the mainstreaming of disability in the implementation, monitoring and evaluation of the 2030 Agenda"

Date	*Agenda item*	*Documentation programme*
Thursday, 1 February		
a.m.	3 (a) and (b) (*continued*)	General discussion continues
p.m.	4. Programme questions and other matters	
	3 (a) and (b) (*continued*)	General discussion continues
Friday, 2 February		
a.m.		Informal consultations (*no plenary meeting*)
p.m.		Informal consultations (*no plenary meeting*) *3 p.m.: deadline for submission of draft proposals*
Week of 5–9 February 2018		
Monday, 5 February		
a.m.	3 (a) and (b) (*continued*)	General discussion concludes
p.m.		Informal consultations (*no plenary meeting*)
Tuesday, 6 February		
a.m.		Informal consultations (*no plenary meeting*)
p.m.		Informal consultations (*no plenary meeting*)
Wednesday, 7 February		
a.m.	3 (a) and (b)	Introduction of draft proposals Action on draft proposals
	5. Provisional agenda for the fifty-seventh session of the Commission	Adoption of the provisional agenda for the next session
	6. Adoption of the report of the Commission on its fifty-sixth session	Adoption of the report Closure of the session[a]
p.m.		Action on any outstanding draft proposals or other matters (if necessary)

[a] In accordance with Economic and Social Council decision 2002/210, the Commission, immediately following the closure of the fifty-sixth session, will hold the first meeting of its fifty-seventh session for the sole purpose of electing the new Chair and other members of the Bureau, in accordance with rule 15 of the rules of procedure of the functional commissions of the Council. In accordance with Council resolution 2010/6, the officers elected to the Bureau of the Commission for the fifty-fifth and fifty-sixth sessions have been elected for a two-year term, subject to the review of the working methods of the Commission expected to be undertaken at the fifty-sixth session.

Annex II

Membership of the Commission for Social Development at its fifty-sixth session (2018)

(46 members; four-year term)

Membership of the fifty-sixth session	*Term expires at close of session in the year*
Algeria	2019
Austria	2019
Bangladesh	2020
Belarus	2020
Benin	2019
Bolivia (Plurinational State of)	2019
Brazil	2021
Bulgaria	2021
Burundi	2019
China	2021
Colombia	2019
Congo	2020
Côte d'Ivoire	2021
El Salvador	2020
France	2017
Ghana	2020
Haiti	2021
Iceland	2020
Iran (Islamic Republic of)	2019
Iraq	2019
Israel	2019
Japan	2020
Madagascar	2021
Malawi	2021
Mexico	2019
Namibia	2019
Panama	2021
Paraguay	2020
Peru	2020
Portugal	2019
Qatar	2019
Republic of Korea	2020
Republic of Moldova	2020
Romania	2021

Membership of the fifty-sixth session	*Term expires at close of session in the year*
Russian Federation	2020
Rwanda	2020
Senegal	2020
Sudan	2021
Switzerland	2021
Turkmenistan	2021
United States of America	2020

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Commission for Social Development
Fifty-sixth session
29 January–7 February 2018
Item 3 of the provisional agenda*
Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly

Social dimensions of the New Partnership for Africa's Development

Report of the Secretary-General

Summary

The present report, submitted pursuant to Economic and Social Council resolution 2017/11, contains a review of progress made in the social dimensions of the New Partnership for Africa's Development, including with respect to poverty eradication, hunger reduction, food security, inequality reduction, the creation of decent jobs through structural transformation, human development, peace and security and good governance. Also discussed are partnerships and resource mobilization, as well as the progress made in ensuring the coordinated implementation of Agenda 2063 of the African Union and the 2030 Agenda for Sustainable Development. Policy recommendations for the accelerated and sustained development of Africa are provided.

* E/CN.5/2018/1.

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I. Introduction

1. Since its adoption in 2001, the New Partnership for Africa's Development (NEPAD), a development programme of the African Union, has provided a vision and policy framework for the development and integration of Africa into the world economy. The African Union's transformative Agenda 2063: The Africa We Want and the 2030 Agenda for Sustainable Development are giving further impetus to the global aspiration for an inclusive, prosperous and peaceful world where no one is left behind, particularly in Africa. By tracking progress in the social dimensions of NEPAD, the present report also contributes to the tracking of progress towards achieving the goals contained in Agenda 2063 and the 2030 Agenda.

II. Progress in eradicating poverty, reducing hunger and inequality and promoting decent work

A. Poverty

2. Africa has made progress in reducing poverty since 1990. The poverty headcount ratio, or the proportion of people living in extreme poverty (measured as living on less than $1.90 a day), decreased from 39.8 per cent in 2008 to 34.8 per cent in 2013.[1] However, progress has been uneven across regions of the continent.

3. In North Africa, poverty fell rapidly, with the poverty headcount ratio decreasing by 46 per cent, from 5.0 to 2.7 per cent, between 2008 and 2013. In sub-Saharan Africa, progress was much slower, with the poverty headcount ratio decreasing by only 13 per cent during the same five-year period, from 46.9 to 41.0 per cent. In addition, because of rapid population growth and the slow pace of poverty reduction, the number of people living in extreme poverty increased slightly, from 389.7 million to 390.2 million over that period, making sub-Saharan Africa the region with the largest share of poor people in the world. Sub-Saharan Africa also has the highest concentration of extreme poverty, with 51 per cent of the world's poor living in the subregion in 2013.

4. Africa's progress in reducing poverty was enabled by the continent's strong economic growth — averaging 5 per cent annually — between 2000 and 2014, owing mainly to a surge in the international prices of natural resources and primary commodities.[2] Despite this sustained growth, Africa experienced a much slower pace of poverty reduction compared with other developing regions owing to structural challenges and vulnerability to shocks. A marked deceleration in Africa's growth to 3.7 per cent in 2015 and 1.7 per cent in 2016, owing to the recent fall in commodity prices, continuing food insecurity and climate change,[3,4] further threaten to reverse hard-won gains in poverty reduction. There is reason for hope, however, given that economic growth in sub-Saharan Africa is projected to slowly recover in 2017 and 2018, reflecting increases in commodity prices, a pickup in global growth and more supportive domestic conditions.

5. It should be noted that in many large African economies, the enclave nature of the growth sectors — capital-intensive extraction and exported natural resources —

[1] See http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx.

[2] African Development Bank (AfDB), Organization for Economic Cooperation and Development (OECD) and United Nations Development Programme (UNDP), *African Economic Outlook 2016: Sustainable Cities and Structural Transformation* (Paris, OECD Publishing, 2016).

[3] *World Economic Situation and Prospects 2017* (United Nations publication, Sales No. E.17.II.C.2).

[4] *World Economic Situation and Prospects 2017: Update as of Mid-2017* (United Nations publication, forthcoming).

has not generated sufficient jobs, has often exacerbated inequalities and does not facilitate resilience to shocks. In addition, high initial income inequality has lowered the poverty-reducing effect of growth in sub-Saharan Africa. These are among the challenges Africa faces in eradicating poverty.

6. The poorest in Africa are concentrated in specific areas and groups. Spatially, people living in rural areas, remote areas, conflict zones and informal settlements in large urban areas are much more likely to be poor.[5] For instance, poverty affects more than 60 per cent of the rural population in 17 countries and between 50 and 60 per cent in 14 countries.[6] Socially, ethnic and religious minorities, persons with disabilities, women, older persons, youth and children also tend to be among the poorest. For instance, for the period 2015–2020, the probability that a child born in sub-Saharan Africa will die before his or her fifth birthday is 16 times greater than that of a child born in the world's developed regions.[7]

7. The share of workers who cannot earn sufficient income to pull themselves and their families out of poverty is also high. In addition, sub-Saharan Africa not only has the world's largest share of the working poor (workers living on less than $1.90 a day), 33.6 per cent in 2016,[8] it also displays poverty levels that are consistently higher over time for working youth than for working adults, and for female workers than for male workers.[9]

8. Further progress in poverty reduction in Africa will require increasing economic diversification through structural transformation. A more diversified economic structure would bolster resilience to external shocks to sustain economic growth that is needed for poverty eradication. Strong economic growth would raise the average income, thereby reducing poverty; it would also afford greater scope for redistributive policies, including increased investment in social services and social protection, to accelerate social progress.

B. Hunger, malnutrition and food insecurity

9. Africa has the highest level of hunger and food insecurity in the world. After a prolonged decline, hunger is on the rise in Africa. The prevalence of undernutrition, or the proportion of undernourished people, fell from 24.8 to 17.8 per cent between 2000 and 2013. Since then, however, the proportion has increased, reaching 20 per cent in 2016 owing to droughts and conflicts, among other causes.[10]

10. Africa was also the only region where the number of undernourished people was increasing prior to 2015: from 191.1 million in 2010 to 218.7 million in 2015. That number further increased to 243.2 million in 2016. Africa also has the world's highest level of food insecurity. The continent's proportion of severely food insecure people increased from 25 per cent in 2014 to 27.4 per cent in 2016, which translated into an

[5] David Lawson, Lawrence Ado-Kofie and David Hulme, eds., *What Works for Africa's Poorest Programmes and Policies for the Extreme Poor* (Rugby, United Kingdom of Great Britain and Northern Ireland, Practical Action Publishing, 2017).

[6] Ayodele Odusola and others, eds., *Income Inequality Trends in Sub-Saharan Africa: Divergence, Determinants and Consequences — Overview* (New York, UNDP, 2017).

[7] *World Population Prospects: The 2017 Revision* (United Nations publication), DVD-ROM.

[8] International Labour Organization (ILO), *World Employment Social Outlook: Trends 2017* (Geneva, 2017).

[9] *2017 Africa Sustainable Development Report: Tracking Progress on Agenda 2063 and the Sustainable Development Goals* (United Nations publication, Sales No. E.17.II.K.5).

[10] Food and Agriculture Organization of the United Nations (FAO) and others, *The State of Food Security and Nutrition in the World 2017: Building Resilience for Peace and Food Security* (Rome, FAO, 2017).

increase in the number of those who are severely food insecure from 289.5 million to 333.2 million.[11]

11. Widespread malnutrition, a major cause of poor health and educational outcomes, productivity loss and death, also continues to disproportionately affect the population of Africa. In 2016, 31.2 per cent of children under 5 years of age were stunted and 7.4 per cent were wasted.[12] Africa has made very slow progress on child malnutrition compared with Asia and Latin America and the Caribbean. Between 2000 and 2016, stunting in those two regions declined twice as fast as it did in Africa, which is the only region where the number of stunted children under age 5 rose, from 50.4 million in 2000 to 59 million in 2016, with West Africa accounting for half of that increase.

12. Ongoing conflicts, exacerbated by extreme weather events, such as chronic droughts and flooding resulting from climate change, have caused much of the recent increase in hunger and food insecurity. Since hunger and undernutrition are significantly worse where conflicts are prolonged and institutional capacities are weak, it is necessary to align actions to provide immediate humanitarian assistance with those to sustain peace and long-term development in conflict-affected situations.[13]

13. Soil degradation, rapid population growth, soaring and volatile food prices and inadequate investment in agriculture are other main factors in the lack of progress in hunger reduction and food security in Africa. African countries and their development partners have recognized that agriculture-led growth is critical to eradicating poverty and enhancing food security and nutrition in the region, given that 65 per cent of the continent's population live in rural areas and rely on agriculture for subsistence. Improvements in agriculture and the non-farm rural economy also foster job creation and inclusive growth. To that end, the agricultural sector requires greater public investment in research and development, training, infrastructure, high-yielding crop varieties and fertilizers. Improved access to markets and financial services is also needed. Gains in those areas would increase the productivity and competitiveness of smallholder farmers, who produce an overwhelming share — as much as 90 per cent — of Africa's agricultural output (see E/CN.5/2017/2).

14. In 2003, African Heads of State and Government committed themselves to implementing the Comprehensive Africa Agriculture Development Programme, by which they agreed to allocate at least 10 per cent of national budgets to agriculture and to achieve an average annual agricultural growth rate of 6 per cent.[14] Despite notable progress made in the agricultural sector since the implementation of the Programme, very few African countries were able to reach the Programme's investment and productivity targets during its first decade. Only 13 countries have met the target of allocating a minimum of 10 per cent of public expenditure to the agricultural sector in any year and only 7 of them met the target in most years. Similarly, few countries have achieved the target of an average annual agricultural growth rate of 6 per cent. Consequently, unlike in other regions, such as Asia, the potential for sustainable agricultural development to contribute to poverty reduction and improved nutrition and health has, in general, not yet been seen in Africa.

[11] Ibid.

[12] United Nations Children's Fund, World Health Organization (WHO) and World Bank Group, "Levels and trends in child malnutrition: joint child malnutrition estimates — key findings of the 2017 edition", 2017.

[13] FAO and others, *The State of Food Security and Nutrition in the World 2017*.

[14] African Union and New Partnership for Africa's Development (NEPAD), *Comprehensive Africa Agriculture Development Programme* (Midrand, South Africa, NEPAD, 2003).

15. Ethiopia and Rwanda stand out as exceptions. In those two countries, agricultural policies funded by a relatively high share of the government budget for agriculture have had positive, strong effects on consumption and poverty reduction, especially in rural areas. In Ethiopia, the Government allocated 13.5 per cent of its budget to agriculture in 2013 (see E/CN.5/2017/2).

16. Impressive recent economic growth in Rwanda has mainly been due to national development strategies that have prioritized the agriculture sector as a major engine of growth. Between 2000 and 2012, average gross domestic product (GDP) grew at an annual rate of 8.1 per cent, and agricultural GDP grew an average of 5.2 per cent per year. At the same time, poverty fell significantly, especially in rural areas. The national poverty headcount decreased from 59 per cent in 2001 to 45 per cent in 2011.[15]

17. In Rwanda, during the five-year implementation period (2008–2012) of its first Comprehensive Africa Agriculture Development Programme, government strategies and scaled-up investments in land intensification and irrigation, provision of subsidies for fertilizers and seeds, land use consolidation and other public activities to promote the production of priority crops resulted in an acceleration of agricultural growth to 5.7 per cent per year, with the agriculture sector being responsible for over 50 per cent of the national reduction in the poverty rate by 12 percentage points.

18. In 2014, African leaders adopted the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, which reconfirmed the high-priority role of agriculture in the development agenda of the continent. Specific goals include recommitting to the principles and values of the Comprehensive Africa Agriculture Development Programme, in particular by pursuing agriculture-led growth as a main strategy to achieve targets for food and nutrition security and shared prosperity. African Governments recommitted to allocating at least 10 per cent of public expenditure to agriculture and to accelerating agricultural growth by at least doubling current agricultural productivity, while ensuring that agricultural growth and the transformation process are inclusive and contribute at least 50 per cent to the overall poverty reduction target. They also agreed to conduct a biennial agricultural review process that involves tracking, monitoring and reporting on progress made.

19. Encouraging progress has been made since the adoption of the Malabo Declaration, including the development of strategies and key guidelines to support the implementation of the Comprehensive Africa Agriculture Development Programme at the country level, and extensive engagements made at the country, regional and continental levels. In 2016, more than 45 African countries were at varying stages of the Programme implementation process.[16]

20. To eradicate hunger and improve food security and nutrition on the African continent, it is imperative that agriculture be given a central role in the continent's structural transformation. Therefore, it is necessary to invest in rural infrastructure, modernize smallholder agriculture to increase productivity and enhance access to markets, credit and agricultural value chains. In addition, enhancing trade and regional integration is crucial, given the current great potential of the continent's domestic food market, driven by high population growth, urbanization and rising

[15] World Bank, "Promoting agricultural growth in Rwanda: recent performance, challenges and opportunities", Republic of Rwanda, Rwanda Agriculture Policy Note, report No. ACS9719 (Washington, D.C., 2014).

[16] NEPAD, "Repositioning CAADP for an accelerated implementation going for results and impact", final communique prepared for the 2016 Comprehensive Africa Agriculture Development Programme Partners' Business Meeting, Addis Ababa, November 2016.

incomes. At the national level, political commitment, improved governance, public-private partnerships and an enabling environment are vital.

C. Inequality

21. High or rising levels of inequality have been shown to have detrimental effects on long-term economic growth and the poverty reduction impact of growth. This is particularly the case when growth is driven by natural resource extraction and commodity exports. Africa is home to 10 of the 19 countries with the highest levels of inequality in the world.[17] Those high levels of both income and non-income inequality, undermine Africa's efforts to reduce poverty and foster inclusive growth, despite its strong economic performance over the past two decades.

22. Income inequality within countries, as measured by the Gini coefficient, is, on average, higher in Africa than in the rest of the developing world — 0.43 and 0.39, respectively. The Gini coefficients for 30 of 50 African countries are above the median coefficient for all developing countries. Another indication of high income inequality on the continent is the great income gap between the richest and the poorest segments of Africa's population. On average, the income of Africa's richest 20 per cent is over 10 times greater than that of its poorest 20 per cent. That ratio is less than nine times greater, on average, in other developing countries. In fact, seven countries with Gini coefficients around 0.60[18] are driving Africa's average income inequality above that of the rest of the developing world. Excluding those countries from the calculation brings Africa's average income Gini coefficient to 0.40, a value that is similar to the average for other developing regions.[19]

23. Between 2001 and 2011, average income inequality levels declined modestly in sub-Saharan Africa.[20] However, substantial variation in inequality trends exists across subregions. On average, income inequality declined in 17 countries that have predominantly agricultural economies located mainly in East and West Africa, accounting for 40 per cent of the sample population. In contrast, income inequality increased in 12 countries located mainly in Central and Southern Africa. The economies of those subregions are heavily dependent on the oil and mining sectors. In general, inequality declined in most of the countries with initially low levels of inequality, and it rose or stagnated in countries with initially high levels of inequality.

24. Drivers of income inequality in Africa include a lack of inclusive structural transformation, over reliance on capital-intensive industries and commodities, lack of sufficient decent employment opportunities for all, gender inequality in the labour market, demographic changes, consisting mainly of a youth bulge, and low human capital development, especially in terms of education and health.

25. Besides income inequality, gender inequality, which manifests itself in the economic, social, political and human development realms, is high in almost every African country. Women are less likely to participate in the labour market, and when they do, they earn lower wages — an average of 70 per cent of those earned by men — and tend to engage in vulnerable employment, including in the informal sector, which comes with high risks and lack of social protection. In sub-Saharan Africa, GDP lost between 2010 and 2014 owing to gender gaps in the labour market totalled nearly

[17] Odusola and others, eds., *Income Inequality Trends in Sub-Saharan Africa*.

[18] Angola, Botswana, Central African Republic, Comoros, Namibia, South Africa and Zambia.

[19] Odusola and others, eds., *Income Inequality Trends in Sub-Saharan Africa*.

[20] Determined on the basis of results from 29 countries that had adequate income data, representing 81 per cent of the population of the subregion.

$95 billion.[21] Those economic disparities are compounded by social norms that disproportionately assign domestic work to women and girls. Women spend twice as much time as men engaged in domestic labour, preventing them from engaging in productive economic or educational activities.

26. Women are also underrepresented in politics and in leadership positions in many countries. Inequality of opportunity, such as gender gaps in access to education, health care and finance, are prevalent and strongly associated with gender gaps in employment and earnings. Regarding education, some progress has been achieved in equalizing access to primary education for girls and boys in sub-Saharan Africa. Greater effort is still required to achieve gender parity in secondary and tertiary education.

D. Productive employment and decent work

27. It is well-recognized that productive employment and decent work constitute a pathway for sustained poverty reduction. The unemployment rate in Africa was 8 per cent in 2016 and will likely remain the same in 2017. Owing to a rapidly growing labour force, that rate translates into an increase in the number of unemployed, from 37.1 million in 2016 to 38.3 million in 2017. Those figures for the continent as a whole mask regional disparities, with unemployment levels being much higher in North Africa (12.1 per cent in 2016) than in sub-Saharan Africa (7.2 per cent).[22]

28. In North Africa, unemployment is particularly high among youth and women. Youth unemployment is more than three times higher than adult unemployment, representing a gap of 20 percentage points. Similarly, notwithstanding progress in educational attainment, women remain twice as likely to be unemployed as men, with the female unemployment rate expected to be 20 per cent in 2017.

29. Despite its low average unemployment rate, sub-Saharan Africa is characterized by pervasive vulnerable employment, which tends to trap people in poverty. In 2016, 247 million people, or 68 per cent of the total employed population of the region, were in vulnerable employment, compared with 21.2 million people (or 32.4 per cent) in North Africa. Most of the workers who are in vulnerable employment are in the informal economy, which is characterized by low-skill jobs, unsafe working conditions, low wages, long working hours and an absence of social protection. On average, 9 out of 10 workers in sub-Saharan Africa are estimated to hold informal jobs only. The share of informal jobs is much lower in Southern Africa.

30. The sustained economic growth experienced by many African countries over the past two decades has not generated enough jobs, owing to structural challenges and population growth. Many economies are heavily dependent on natural resources and extractive industries, which are capital intensive and employ only high-skilled labour. Very few African countries have a vibrant manufacturing sector that generates labour-intensive jobs and boosts wage employment. In many countries, workers have largely transitioned from the agriculture sector directly into tertiary sector activities, which are largely informal and characterized by low productivity.

31. As outlined in NEPAD and Agenda 2063, African Governments have committed to promoting structural transformation through industrialization and to strengthening the resilience of African economies. Industrialization is critical for sustainable development, employment creation and poverty eradication. However, the continent's industrial sector faces critical shortages of technology and skilled labour and lacks

[21] UNDP, "Africa human development report 2016: accelerating gender equality and women's empowerment in Africa" (New York, 2016).

[22] ILO, *World Employment Social Outlook*.

access to affordable credit. Infrastructure deficits and high trade and transport costs also hinder the sector's performance.

32. The experiences of countries such as Ethiopia, Mauritius and South Africa, which are exhibiting growth in the manufacturing and tertiary sectors, show that economic and export diversification, improved infrastructure facilities, the adaptation and diffusion of higher technologies, increased access to credit, quality education, the availability of a skilled labour force and strong macroeconomic management and institutions can accelerate manufacturing performance.

33. Africa's population is increasing very rapidly: its share of the world's working-age population will exceed 40 per cent in 2100. Most of that population will consist of young people. Over the course of the next decade, more than 10 million young people are expected to enter the labour market each year. Given that most young people live in rural areas and work in the agriculture sector, improving agricultural productivity and investing in agriculture value chains can also provide opportunities for decent youth employment and reduce migration to urban areas. That approach, coupled with economic diversification into manufacturing, has proved effective in job creation and poverty reduction. For example, Ethiopia is modernizing its agriculture sector, opening agricultural markets and investing in infrastructure. It is also promoting labour-intensive light manufacturing. One of its industrial parks aims to ultimately employ 60,000 people and generate export revenue of $1 billion annually. Ethiopia is succeeding in growing its economy, creating jobs and reducing poverty and inequality through agriculture- and export-led growth.

34. Kenya and Rwanda are examples of other countries that, although not resource-rich, have achieved fast growth and made rapid progress in reducing poverty and inequality and in creating decent jobs through structural transformation. Kenya has focused on promoting a robust, diversified and competitive manufacturing sector, with the objective of becoming an industrialized middle-income economy by 2030. Similarly, Rwanda is pursuing structural transformation through agriculture-led growth. In addition, the Government is promoting macroeconomic stability and an attractive investment climate to foster business start-ups and attract foreign direct investment. Those efforts have seen led to job creation in the manufacturing and services sectors.[23]

III. Promoting social development

A. Access to quality education

35. Education equips people with the knowledge and skills needed to increase their productivity and lifetime earnings and to reduce their vulnerability to various shocks. It also breaks intergenerational poverty and reduces inequality. In sub-Saharan Africa, achieving universal completion of upper secondary education for women by 2030 would lead to an annual reduction in child deaths of 300,000 to 350,000 in 2050. Evidence also shows that an increase in tertiary attainment by one year would increase the region's long-term GDP by 16 per cent,[24] with one year of education estimated to increase wage earnings by an average of 10 per cent.[25] Investing in quality education

[23] AfDB, OECD and UNDP, *African Economic Outlook 2017: Entrepreneurship and Industrialisation* (Paris, OECD Publishing, 2017).

[24] United Nations Educational, Scientific and Cultural Organization (UNESCO), *Global Education Monitoring Report 2016: Education for People and Planet — Creating Sustainable Futures for All*, 2nd ed. (Paris, 2016).

[25] UNESCO, "Reducing global poverty through universal primary and secondary education", Policy Paper 32/Fact Sheet 44 (Paris, 2017).

and expanding life-long learning opportunities for all is, therefore, a requirement for promoting the structural transformation, economic growth and sustainable development of the region.

36. Africa has made remarkable progress towards improving levels of education, in particular universal primary education. The number of primary school children enrolled in sub-Saharan Africa increased by 75 per cent between 1999 and 2012, and the gender parity index increased from 0.85 to 0.92 over the same period. Secondary education completion and participation also increased owing to higher retention and transition rates. Some Southern and East Africa countries have significantly expanded education coverage without affecting the quality of education. Kenya, for example, has increased the proportion of children completing primary school from 42 per cent in 2000 to 62 per cent in 2007, while improving the learning outcomes for children from poor and rich families. In sub-Saharan Africa, the number of primary schoolteachers rose from 1.9 million in 1999 to 3.4 million in 2012. An ongoing shortage of teachers, however, in particular trained teachers, remains a great concern for the region.[26]

37. Sixteen countries have abolished school fees, resulting in a 5.5 per cent increase in school attendance. However, that led to an eight-student increase in the pupil-to-teacher ratio in 16 countries, which demonstrates the need for more trained teachers. It is estimated that 41 per cent of primary school-age children in sub-Saharan Africa do not complete primary school and 87 per cent do not reach the minimum proficiency level in reading. Out-of-school rates are also the highest compared with other regions, with 21 per cent of primary school-age children, 36 per cent of lower secondary school-age children and 57 per cent of upper secondary school-age youth currently not enrolled in school. The proportion of gross enrolment in tertiary education has remained very low in sub-Saharan Africa, at 8 per cent in 2015. The proportion of trained teachers is also very low: 62 per cent and 45 per cent at the primary and secondary levels, respectively.[27]

38. Progress has been made in female school enrolment and completion rates. However, Africa has not yet achieved gender parity. In 2014, the proportion of students that completed secondary school was higher for girls than boys in North and Southern Africa, and nearly three times as many girls had completed secondary school since 2005 in Central Africa.[28] Sub-Saharan Africa has achieved gender parity among those from richer families who have ever been enrolled in school and those who have completed primary education; however, gender disparities persist among those from poorer families.[29] About 56 per cent of the countries with a gender disparity in primary school enrolment in 2012 were in sub-Saharan Africa, and girls remained at a disadvantage in secondary and tertiary education.[30]

39. To close the gender gap and increase female participation at all levels of education, countries need to tackle various barriers, including the lack of female teachers, the high prevalence of early marriage and pregnancy, discriminatory practices based on gender and disability status and school environments that are unfavourable to girls' attendance.

[26] UNESCO, "Education for all global monitoring report 2015: regional overview — sub-Saharan Africa" (Paris, 2015).

[27] UNESCO, *Global Education Monitoring Report 2017/2018: Accountability in Education — Meeting our Commitments* (Paris, 2017).

[28] UNESCO Institute for Statistics, UIS Stat database. Available from http://data.uis.unesco.org/.

[29] World Bank, *World Development Report 2018: Learning to Realize Education's Promise* (Washington, D.C., 2018).

[30] United Nations, *The Millennium Development Goals Report 2015* (New York, 2015).

40. African countries need adequate financing to expand access to quality education and narrow education inequalities. In that regard, Governments have increased public spending on education. In 2012, half of the countries in the region spent about 5 per cent or more of their gross national product on education. The proportion of national income allocated for education also increased in most countries between 1999 and 2012, while the percentage increase in public spending on education exceeded that of economic growth in 19 of the 26 countries for which data were available. Total aid to basic education has also increased, from $1,447 million to $1,615 million over the past decade.[31]

B. Access to quality health care

41. Investment in health leads to reduced infant and child mortality; improved educational attainment, literacy and cognition; higher lifetime earnings; and greater consumption and labour productivity. Africa has made significant progress in the health sector, but still lags behind other regions.

42. The region has considerably improved health outcomes and well-being. Although 92 per cent of global malaria deaths occurred in Africa in 2015, malaria-related mortality rates declined by 66 per cent among all age groups and by 71 per cent among children under 5 years of age between 2000 and 2015.[32] The under-5 mortality rate declined from 140 deaths per 1,000 live births in 2000 to 81 per 1,000 live births in 2015.[33] Maternal mortality has also declined over the years. The maternal mortality ratio in sub-Saharan Africa decreased from 830 deaths per 100,000 live births in 2000 to 546 deaths per 100,000 live births in 2015, while the ratio in North Africa remained low, at 70 deaths per 100,000 in 2015.[34,35] The highest percentage decline occurred in Ethiopia owing to increased political commitment, the expansion of community health programmes, improved access to sexual and reproductive health services and increased funding.[36]

43. Despite the progress made in sub-Saharan Africa, in 2015 only 51 per cent of births were attended by skilled birth attendants and less than 50 per cent of women of reproductive age who were married or in union had their demand for family planning satisfied by any modern contraceptive method.[37] Moreover, the region still has the highest levels of neonatal and under-5 mortality in the world. The rate of child marriage exceeds 30 per cent in several countries.

44. The region has the highest incidence of HIV, with 1.5 new cases per 1,000 uninfected people in 2015. Around 4.4 per cent of adults 15 to 49 years of age were living with HIV in the same year.[38] The tuberculosis fatality rate in 2015 ranged from under 5 per cent in some countries to more than 20 per cent in the majority of countries in sub-Saharan Africa.

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[31] UNESCO, "Education for all global monitoring report 2015".

[32] See WHO, "New report signals country progress in the path to malaria elimination", 9 December 2015. Available from www.who.int/mediacentre/news/releases/2015/report-malaria-elimination/en/.

[33] *World Population Prospects: The 2017 Revision*.

[34] United Nations, *The Millennium Development Goals Report 2015*.

[35] WHO, *Trends in Maternal Mortality: 1990 to 2015 — Estimates by WHO, UNICEF, UNFPA, World Bank Group and the United Nations Population Division* (Geneva, 2015).

[36] *2017 Africa Sustainable Development Report*.

[37] United Nations, Department of Economic and Social Affairs, Population Division, Model-based estimates and projections of family planning indicators 2017 database. Available from www.un.org/en/development/desa/population/theme/family-planning/cp_model.shtml.

[38] WHO, *World Health Statistics 2017: Monitoring Health for the SDGs, Sustainable Development Goals* (Geneva, 2017).

45. The region is likely to continue facing the burden of the prevailing communicable diseases, as well as the burden of non-communicable diseases, which is increasing along with the growing middle class. To achieve healthy lives for all, African countries need to strengthen their health care systems and improve value for money and equity in access to health services. By 2015, 27 countries had increased total government expenditures on health.[39] Countries should continue to enhance their investments in the sector to tap the full potential of their socioeconomic development and structural transformation. They also need to strengthen budget management and improve the quality of health expenditures.

C. Women's empowerment and gender equality

46. Africa has made good progress towards gender equality. Compared with a decade ago, more girls are now enrolled in school, more women have access to health care and safely give birth, and more women are participating in the labour force. However, gender gaps still exist in health, education, workplace and political participation, access to productive assets, financial services and natural resources, and entrepreneurship opportunities.

47. Early marriage and physical and sexual violence contribute to gender inequality. Around 50 per cent of girls were married before the age of 18 in East, Central and West Africa, and over 58 per cent of marriages among women 20–46 years of age in Chad, Ethiopia, Guinea and the Niger had taken place before the women had reached the age of 18.[40] Those phenomena coexist with a declining prevalence of child marriage in Africa, and some countries have managed to raise the minimum age of marriage among women. Several countries still have laws that discriminate against women in the private and public spheres. In sub-Saharan Africa, studies have shown a high prevalence of violence against women, with more than one third of women in many countries reporting having been victims of physical or sexual violence. The prevalence of female genital mutilation is high in some countries. In 2015, 70 per cent and 32 per cent of girls between the ages of 15 and 19 were subjected to that practice in North Africa and sub-Saharan Africa, respectively.[41]

48. Although women are underrepresented in the political sphere in most countries, some progress has been made. In sub-Saharan Africa, the proportion of seats held by women in national parliaments increased from 10.2 per cent in 1997 to 23.5 per cent in 2016. The proportion quadrupled in North Africa between 2000 and 2016. Rwanda has the highest level in the world, with women holding nearly 64 per cent of seats in the national parliament. In Namibia, Senegal and South Africa, women occupy between 41 and 44 per cent of the seats in their national parliaments.

49. More women than men are excluded from formal financial services. Around 25.1 per cent of women in sub-Saharan Africa have access to a financial institution, compared with 32.7 per cent of men. Hence, it is imperative that countries prioritize the leveraging of women's productive contributions in order to achieve inclusive, equitable and sustained economic growth and sustainable development. Efforts should be made to improve public services, strengthen laws, increase women's representation in leadership and improve access to productive assets and resources. To tap the economic potential of women and girls, African countries should continue to provide them with equal their access to quality education and health care, decent work and representation in political and economic decision-making processes.

[39] UNDP, "Africa human development report 2016".

[40] Ibid

[41] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

D. Harnessing the demographic dividend

50. The population of Africa is the youngest in the world. Because it has the world's fastest rates of population growth, over 40 per cent of Africa's population is under the age of 15.[42] The continent is expected to be home to 38 of the 40 youngest countries in the world by 2050, and its total population is projected to more than double by then. The continent also has the fastest growing working-age population. More than 10 million young people will enter the labour market each year until 2030.[43]

51. Africa's youth bulge offers tremendous potential for the economic and social transformation of the continent. Africa needs to take full advantage of its demographic transition because of the potential economic and societal benefits. That demographic transition can contribute to boosting future economic growth and shared prosperity. As part of the demographic dividend, benefits will be derived from an increased labour supply, increased savings owing to a reduction in the number of dependants, increased domestic demand due to higher GDP per capita, and human capital development.

52. Investments in quality education, health, skills development and the promotion of youth entrepreneurship will be required to realize those benefits. However, a lack of adequate education and a mismatch between the labour market and school curricula contribute to high levels of youth unemployment across the continent. Furthermore, the levels of poverty among working youth have been consistently higher than among the working adult population.[44] Those trends engender a risk of persistent high youth unemployment and instability. Thus, in order to reap the demographic dividend, African countries need to design and implement policies and strategies to unlock that dividend and explore new economic opportunities.

E. Social protection

53. Social protection plays an important role in reducing poverty and inequalities and in building human capital. Investment in social protection schemes is increasing in Africa. The continent currently has social protection coverage of 20 per cent. The number of countries with unconditional cash transfer programmes increased from 21 in 2010 to 40 in 2014, reaching 50 million people.

54. However, coverage by social security schemes is limited to workers in the formal sector. Only about 10 per cent of sub-Saharan Africa's economically active population is covered by those schemes, and less than 1 per cent of the unemployed population of Africa receives any form of support. In some instances, coverage is declining as a result of increasing informalization.[45] Several countries in the region are unable to provide comprehensive unemployment benefits to affected population groups, partly because of the magnitude involved, low revenue collection and cost to the treasury.

55. To eradicate poverty, reduce inequality, invest in human capital formation and ensure that no one is left behind, African countries need to progressively expand the coverage of social protection schemes, including social protection floors. They also need to ensure the fiscal sustainability of social protection schemes, reduce

[42] *World Population Prospects: The 2017 Revision*.
[43] AfDB, OECD and UNDP, *African Economic Outlook 2017*.
[44] *2017 Africa Sustainable Development Report*.
[45] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

fragmentation and improve the administrative capacity and targeting of social protection schemes.

IV. Promoting social and economic development through infrastructure development

56. Both the 2030 Agenda and the first 10-year implementation plan (2014–2023) of Agenda 2063 emphasize the important contribution of infrastructure development to economic development, job creation, poverty eradication, reductions in inequality, increased agricultural productivity and sustainable urbanization. Infrastructure is recognized as the backbone of inclusive economic development in Africa.

57. However, many African countries face critical infrastructure deficits, in particular in the quantity, quality and access dimensions of infrastructure. For instance, in terms of transport infrastructure, road density has declined over the past 20 years. In terms of energy infrastructure, little progress has been made in over two decades with respect to per capita electricity-generation capacity. As a result, only 35 per cent of the population had access to electricity in 2014, with rural rates being less than one third of urban rates. Water resources are underused, with only 5 per cent of agriculture under irrigation.[46]

58. Africa's infrastructure deficits increase production and transaction costs, reduce market competitiveness, deter foreign direct investment and slow the pace of inclusive economic and social development. For instance, the unit cost of energy in rural areas of Africa is between 60 and 80 times greater than in urban areas of the developed world. The shipment of one ton of freight in Africa costs between $0.05 and $0.13, compared to between $0.01 and $0.04 in developed countries.[47]

59. Notwithstanding the general infrastructure deficits, notable progress has been made in some areas. Access to telecommunications has improved dramatically, with the number of land line and mobile phone subscriptions rising from 3 per 1,000 people in 1990 to 736 per 1,000 people in 2014. The number of Internet users also increased from 1.3 per 100 people in 2005 to 16.7 per 100 people in 2015, and access to safe water increased from 51 per cent in 1990 to 77 per cent in 2015.[48]

60. Reducing Africa's infrastructure deficits would speed up economic growth through increased productivity and allow for greater economic diversification, the generation of new opportunities in the manufacturing and services sectors and the expansion of intraregional trade. Sub-Saharan Africa's GDP per capita would grow by an additional 1.7 percentage points per year if the region were to close the infrastructure gap in terms of quantity and quality with the rest of the developing world.[49]

61. Given the important role of infrastructure in Africa's development, in 2012 African leaders adopted the Programme for Infrastructure Development in Africa as a strategy for infrastructure transformation for the period 2012–2040. The Programme envisages the development of highways, railways, ports and interconnected power grids. It also seeks to boost hydroelectric power generation capacity and the capacity of ports. When fully implemented, the Programme will undergird Africa's structural transformation and be a catalyst for job creation, skills development, regional

[46] Punam Chuhan-Pole and others, *Africa's Pulse*, vol. 15 (Washington, D.C., World Bank Group, 2017).

[47] United Nations, Office of the Special Adviser on Africa, "Financing Africa's infrastructure development", policy brief (2015).

[48] Punam Chuhan-Pole and others, *Africa's Pulse*.

[49] Ibid.

integration and intra-African trade. It will also attract foreign direct investment and tourism.

62. Overall, the Programme for Infrastructure Development in Africa has contributed to the boosting of investment in infrastructure in Africa through public-private partnerships that include the private sector, donors, Governments and pension funds. Individual countries, such as Côte d'Ivoire, Ethiopia and Kenya, have also ramped up investment in public infrastructure projects. Public infrastructure investment in Africa rose by an average of around 3 per cent of GDP in 2014 and were projected to remain at that level during the period 2015–2019.[50]

V. Governance and peace and security

63. Good governance and peace and security are critical preconditions for achieving structural transformation, poverty eradication and social progress. Good governance is the ability of Governments and other public institutions to achieve results and meet the expectations of their citizens regarding the delivery of public goods, services and economic opportunities. Recent data show that citizens of African countries tend to have low rates of net satisfaction with their public services compared with the rest of the world.[51] High levels of unemployment and inadequate health care and education have been identified as the most pressing issues that Governments should prioritize. Public expectations for quality, accessible and affordable infrastructure have been on the rise since 2008.

64. In terms of political governance, citizens of African countries are increasingly demanding higher standards of integrity within public institutions, as manifested by the slight increase in public protests in the form of strikes and demonstrations beginning in 2016. Between 2011 and 2016, dissatisfaction with political arrangements was one of the main reasons for public protests in Africa. Most of those protests called for more accountability and justice in public management systems and for fairer elections.[52]

65. Africa has shown progress in economic governance through a continued commitment to improving macroeconomic management and the business environment for private sector competitiveness and market expansion. Governments have taken initiative in the form of regulatory reforms to make starting or running a business easier and have been using digital technologies to reduce the time spent on and the cost of bureaucracy.

66. Similarly, African countries have made advances in overall governance by supporting the African Peer Review Mechanism, a voluntary self-assessment tool designed to promote more effective governance across four thematic areas: democracy and political governance, corporate governance, economic governance and management and socioeconomic development. By January 2017, 36 African countries had voluntarily acceded to the Mechanism and 20 of them had completed their self-assessments and been peer reviewed by the African Peer Review Forum, which is composed of Heads of State and Government.[53]

67. Regarding peace and security, three challenges exist in Africa: climate change, conflict and forced migration. Integrated, holistic and comprehensive approaches are

[50] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

[51] Ibid.

[52] Ibid.

[53] See https://au.int/sites/default/files/decisions/32520-sc19553_e_original_-_assembly_decisions_621-641_-_xxviii.pdf.

recommended for tackling those challenges, especially in regions where they are strongly intertwined, such as the Lake Chad Basin and the Horn of Africa.

68. The United Nations and the African Union are making progress in institutional coordination towards advancing peace and security in Africa. Within the Joint United Nations-African Union Framework for Enhanced Partnership in Peace and Security of April 2017,[54] the African Union Commission and the United Nations will strive to collaborate, through joint mechanisms and regular consultations, from the earliest indication of conflict in Africa.

69. Africa continues to improve institutions and regulatory environments in line with NEPAD governance objectives and priorities. That includes improving the delivery of public goods and services, tackling corruption and combating illicit financial flows. Illicit financial flows, tax evasion and trade mispricing reduce public resources that could be used for promoting sustained, equitable and inclusive development, in particular investments in education, health and job-creating industries. Each year, over $50 billion leaves Africa illicitly.[55] Africa and its development partners should join forces to combat cross-border illicit financial flows.

VI. Partnerships and resource mobilization

70. The successful implementation of the 2030 Agenda and Agenda 2063 depends on the ability of African countries to mobilize sufficient domestic resources, foreign direct investment and official development assistance. Highly indebted poor countries in Africa also need to reduce their debt burdens. To date, 30 countries have received the full amount of debt relief for which they are eligible under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative.[56] For infrastructure alone, Africa needs around $94 billion in investments per year over a 10-year period.[57] To meet Africa's financing needs, countries are increasing their domestic resource mobilization efforts. Domestic revenues increased annually from 2005 to 2015, reaching a peak of $561.5 billion in 2012.[58] Recently, average gross domestic savings increased to 16.1 per cent of GDP in 2016, from 15.0 per cent in 2015. In absolute terms, however, domestic tax revenue is expected to decline to $444 billion in 2016, from $514 billion in 2012.[59] And with the slump in commodity prices, tax revenue in commodity export-dependent countries has slowed, underscoring the imperative for such countries in Africa to diversify their economies.

71. Official development assistance (ODA) continues to play an important role in Africa's sustainable and inclusive development efforts. In 2016, net ODA flows from member countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development reached $27 billion, of which $24 billion was for sub-Saharan Africa. In real terms, net ODA to Africa and sub-Saharan Africa fell by 0.5 per cent and 0.7 per cent, respectively, compared with 2015.[60] For Africa's 34 least developed countries, ODA remains the largest source of external financing,

[54] Available from https://unoau.unmissions.org/sites/default/files/signed_joint_framework.pdf.

[55] See "Illicit financial flow: report of the High-level Panel on Illicit Financial Flows from Africa", report commissioned by the African Union Commission and Economic Commission for Africa (ECA), 2011. Available from www.uneca.org/sites/default/files/PublicationFiles/iff_main_report_26feb_en.pdf.

[56] See www.worldbank.org/en/topic/debt/brief/debt-relief.

[57] *Economic Report on Africa 2017: Urbanization and Industrialization for Africa's Transformation* (United Nations publication, Sales No. E.17.II.K.1).

[58] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

[59] *Economic Report on Africa 2017*.

[60] OECD, "Development aid rises again", 11 April 2017. Available from www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2016-detailed-summary.pdf.

constituting more than 50 per cent of their inflows. Except for resource-rich countries, foreign direct investment in Africa's least developed countries remains low.[61]

72. In addition to improvements in domestic revenues, increases in foreign direct investment (FDI) and remittances have been observed. FDI inflows steadily rose, from $48 billion in 2011 to $66 billion in 2016.[62] Similarly, remittances increased from $57 billion in 2011 to $66 billion in 2016.[63]

73. Despite Africa's strong economic performance, the mobilization of tax revenue is adversely affected by low per capita incomes, a large informal sector and very small manufacturing and service sectors. Large leakages through illicit financial flows also constitute a significant drain on domestic resource mobilization efforts.[64]

74. To boost domestic resource mobilization, Governments must strengthen public institutions and tax systems, expand the tax base, address the challenges of the informal sector and fight tax evasion and avoidance. Development partners can assist countries through effective financial and technical support to build domestic tax collection and administration capacity. Along with domestic reforms, international cooperation is needed to address transfer mispricing and other forms of illicit financial flows. In addition, focus should be placed on investment and the use of trade-oriented ODA to unlock and leverage domestic resources, which would contribute to addressing the myriad challenges hindering inclusive and pro-poor economic transformation, including extreme poverty, social exclusion and deprivation and the ongoing impact of climate change.

VII. Progress in ensuring a coherent and coordinated implementation of Agenda 2063 and the 2030 Agenda

75. African Heads of State and Government adopted Agenda 2063 in January 2015 and, in September of the same year, global leaders adopted the 2030 Agenda. The Common African Position on the post-2015 Development Agenda informed both agendas. Those global and regional agendas offer a great opportunity for Africa to transition towards a transformative and people-centred sustainable development trajectory that integrates the three pillars of sustainable development — economic, social and environmental. A coherent and coordinated implementation of the two agendas to address the region's priorities and pressing needs is therefore of paramount importance. Achieving the aims of both agendas will also require effective and strong partnerships with the private sector, civil society and philanthropic organizations.

76. Progress in those areas was underscored during the ninth joint annual meetings of the Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration of the African Union and the Conference of African Ministers of Finance, Planning and Economic Development of the Economic Commission for Africa, held in April 2016 on the theme "Towards an integrated and coherent approach to the implementation, monitoring and evaluation of Agenda 2063 and the Sustainable Development Goals" (see E/ECA/CM/49/3). African policymakers underscored the importance of adopting a coherent strategy for the effective and coordinated implementation of, reporting on and follow-up to the two agendas. In particular, policymakers urged institutions such as the Africa Regional

[61] United Nations, "State of the least developed countries 2017: follow up of the implementation of the Istanbul Programme of Action for the Least Developed Countries" (New York, 2017).

[62] *Economic Report on Africa 2017*.

[63] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

[64] ECA, "Strategies for mobilizing domestic resources and investments for structural transformation" (Addis Ababa, 2016).

Forum on Sustainable Development to develop a common platform for follow-up and to review progress in implementing the agendas.

77. Doing so will require a coherent strategy and an integrated set of goals, targets and indicators, along with a harmonized review and reporting platform. The implementation of the two agendas requires improved capacity at all levels and sufficient financial and non-financial resources. In particular, domestic resources should be the main source of financing. African ministers also recognized the role of regional integration through the regional economic communities in the implementation of both development agendas.

VIII. Conclusions and recommendations

78. Going forward, combating inequality is a necessary step to eradicating extreme poverty everywhere and achieving other Sustainable Development Goals. Therefore, countries must prioritize policies and strategies that promote structural economic transformation; inclusive, equitable, sustained and sustainable growth; employment creation; and social protection. Countries should also modernize agriculture by boosting yields and productivity per worker and investing in infrastructure facilities. Finally, countries should promote equal access to quality education and health services and promote women's empowerment and gender equality.

79. To further promote social progress in Africa, the Commission may wish to consider the following recommendations:

(a) **African countries should actively promote inclusive structural transformation through industrialization and increased agriculture productivity;**

(b) **To leave no one behind, countries should adopt strategies to address social exclusion and inequality based on gender, ethnicity, disability status, age and area of residence, and scale up the provision of social protection schemes, including social protection floors;**

(c) **African countries should invest in human capital development and innovation to unlock Africa's potential. To harness the demographic dividend, countries need to invest in quality education and health care and in skills development, including vocational and professional training, that will empower young people, in particular young women and girls, in all sectors of life;**

(d) **To stimulate sustained and inclusive economic growth and social development, African countries should invest in world-class infrastructure and deepen domestic resource mobilization, including by curbing illicit financial flows, in collaboration with development partners, including the private sector;**

(e) **African countries should advance peace and security and foster good governance by improving their regulatory environments and strengthening their institutional capacity, including mechanisms for monitoring progress towards the achievement of development goals;**

(f) **Development partners, including the United Nations system, should continue to promote, support and facilitate the implementation of Africa's development priorities as set out in Agenda 2063 and the 2030 Agenda.**

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Strategies for eradicating poverty to achieve sustainable development for all

Report of the Secretary-General

Summary

The present report is submitted pursuant to Economic and Social Council resolution 2016/6. It provides a review of progress made to date to eradicate poverty and various strategies that have been implemented by countries. The report also includes recommendations to accelerate the eradication of poverty in all its forms, including extreme poverty.

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I. Introduction

1. In its resolution 2016/6, the Economic and Social Council decided that the priority theme for the 2017–2018 review and policy cycle of the Commission for Social Development would be "Strategies for eradicating poverty to achieve sustainable development for all". The present report is prepared for the policy year in the two-year work cycle of the Commission.

2. Eradicating poverty is the overarching objective of the 2030 Agenda for Sustainable Development and one of the core objectives of the World Summit for Social Development. Building on the past work of the Commission for Social Development on eradicating poverty, and as part of the efforts to contribute to the implementation of the 2030 Agenda, in particular, Sustainable Development Goal 1, the present report examines strategies and policies that countries are implementing to eradicate extreme poverty for all people everywhere.

3. Drawing lessons from progress made by many countries, achieving this goal requires political commitment, as well as realistic and determined social and economic policymaking and implementation. It also requires adequate means of implementation, sustaining peace and security, combating rising inequality, mitigating and adapting to climate change, ensuring inclusive globalization and harnessing opportunities presented by technological change and growing interconnectivity. As recognized by the World Summit for Social Development and the 2030 Agenda, in the drive to eradicate global poverty, particular attention must be given to supporting the development efforts of Africa and the least developed countries. In this regard, the last mile in ending extreme poverty will require fostering structural transformation, creating adequate and decent jobs, ensuring food security and nutrition, securing peace and forging stronger partnerships.

II. Progress and challenges in eradicating poverty

4. With its goal of ending poverty in all its forms everywhere, the 2030 Agenda builds upon the achievement of the Millennium Development Goals and addresses their unfinished business. The world achieved its goal of halving 1990 poverty levels five years before the 2015 target date of the Millennium Development Goals. Despite this tremendous progress in reducing global poverty, significant disparities remain across regions and within countries.

5. Globally, 1.1 billion people were lifted out of extreme poverty between 1990 and 2013. Yet, according to the most recent estimates, 768.5 million people or 10.7 per cent of the global population, still lived below $1.90 per day in 2013.[1] Of these, 390.2 million people lived in sub-Saharan Africa and 249.1 million in South Asia. In addition, there were approximately 2.4 billion people living on less than $2 a day, half of them in India and China.

6. The pace of poverty reduction in sub-Saharan Africa is slow, with levels of poverty falling by only 13 per cent between 1990 and 2013, leaving 390.2 million of the region's people still living in extreme poverty. South Asia cut its 1990 rate by at least two thirds by 2013 (from 45 per cent to 14.7 per cent). East Asia and the Pacific made great strides in reducing poverty, from 966 million people (60 per cent of population) in 1990 to 71 million people in 2013 (3.7 per cent of the population), driven largely by China. Two other regions also successfully reduced poverty to less than 5 per cent: Latin America and the Caribbean (4.9 per cent) and the Middle East

[1] The World Bank, Povcalnet data analysis tool, available from http://iresearch.worldbank.org/PovcalNet/home.aspx (data last updated on 10 October 2017).

and North Africa region (2.3 per cent). Nevertheless, despite this progress in the Middle East and North Africa region, poverty has increased in recent years, particularly in countries affected by armed conflict and instability. Poverty remains stubbornly high in the least developed countries, where progress is much slower and where the challenges are greatest. An estimated 50 per cent or more of the total population in such countries, or around 400 million people, still lived in extreme poverty in 2013.[2]

7. In developed countries, an estimated 300 million people were living in relative poverty (with a household income of below 60 per cent of the national median income) in 2012. In the European Union, the relative poverty rate increased to 17.2 per cent in 2014 after a long period of stability at 16.5 per cent up to 2008.[3] In high-income countries, children and women are most affected by poverty, with an average of 20 per cent of children under the age of 18 living in poverty, ranging from 10 per cent in Denmark, Iceland and Norway, to 33 per cent in Israel and Romania.[4]

8. In addition to eradicating income poverty, one of the key ambitions of the 2030 Agenda for Sustainable Development is ending hunger and all forms of malnutrition. Globally, the number of chronically undernourished people increased in 2016. After a downward trend sustained over recent decades, the absolute number of people in the world affected by hunger has gone up. An estimated 815 million people were chronically undernourished in 2016 as compared with 777 million people in 2015. The prevalence of undernourishment in the world also crept up to 11 per cent in 2016 from 10.6 per cent in 2015.[5] This increase is partly attributable to a famine in South Sudan, as well as the deterioration in food security in north-east Nigeria, South Sudan, Somalia, Yemen and other areas affected by abnormal weather patterns, conflict and violence. The food security situation has also deteriorated in South-East and West Asia. Furthermore, economic slowdowns, particularly in commodity-dependent countries, have reduced export and fiscal revenues, which has had a negative impact on access to food for the poor.

9. Making further progress in the eradication of poverty requires addressing inequality in all its dimensions. While income inequality among countries has decreased, with the global Gini coefficient index falling from 69.7 in 1988 to 62.5 in 2013,[6] it remains high. Inequality within countries has increased in many countries, slowing or even halting the pace of poverty reduction. High levels of inequality negatively affect growth and its sustainability through multiple channels. Inequality deprives lower-income households of the ability to stay healthy and accumulate physical and human capital, thereby lowering labour productivity and reducing social mobility. This makes it more difficult to break the transmission of intergenerational poverty. When a large segment of the population is trapped in poverty, consumption and aggregate demand are also reduced and economic growth slows.

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[2] Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, *State of the Least Developed Countries 2017: Follow-up of the Implementation of the Istanbul Programme of Action for the Least Developed Countries* (2017).

[3] International Labour Organization, *World Employment Social Outlook: Trends 2016* (Geneva, 2016).

[4] United Nations Children's Fund Office of Research-Innocenti, *Building the Future: Children and the Sustainable Development Goals in Rich Countries*, Innocenti Report Card No. 14 (Florence, Italy, 2017).

[5] Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development, United Nations Children's Fund, World Food Programme and World Health Organization, *The State of Food Security and Nutrition in the World 2017: Building Resilience for Peace and Food Security* (Rome, FAO, 2017).

[6] World Bank, *Poverty and Shared Prosperity 2016: Taking on Inequality* (Washington, D.C., International Bank for Reconstruction and Development and the World Bank Group, 2016).

III. Social policies and strategies for eradicating poverty in all its forms

A. Decent work and productive employment

10. Eradicating poverty and achieving the Sustainable Development Goals require the creation of full employment and decent work for all. According to the International Labour Organization, global unemployment levels and rates are expected to remain high in the short term. The global unemployment rate is expected to rise slightly to 5.8 per cent in 2017, from 5.7 per cent in 2016, bringing total unemployment to slightly more than 201 million in 2017 compared with 197.7 million people in 2016. Stagnant employment creation remains a pressing challenge in many countries because of the sluggish global economy nearly a decade after the global financial crisis. The long-term effects of the global financial crisis reshaped the employment landscape in all countries. The global economy is forecast to expand by 2.7 per cent in 2017 and 2.9 per cent in 2018, while the economies of the least developed countries are forecast to grow at an average rate of 4.7 per cent in 2017 and 5.3 per cent in 2018, well below the Sustainable Development Goal target of at least 7 per cent annual GDP growth.[7] At this pace, recovering all the jobs lost during the Great Recession remains a major challenge, a situation that is further compounded by population growth and job losses because of rapid technological change in the workplace.

11. To keep up with the growth of the global working population, more than 600 million new jobs are needed between 2015 and 2030. This translates to 40 million new jobs per year. It is imperative to tackle poor job quality, which remains pervasive worldwide, particularly in developing economies. The poverty and employment challenges facing countries are further exacerbated by the predicament of some 780 million people who are working but not earning enough to lift themselves and their families out of $2-a-day poverty as well as large disparities across several demographic groups. Large gender gaps in labour market opportunities, as well as elevated levels of youth unemployment and underemployment, persist. Women are more likely to earn lower wages, have a higher risk of being in vulnerable employment and to be among the working poor.

12. Addressing these challenges requires a mix of policies, including strengthening, rethinking and reorienting existing labour market policies. The experience of today's developed countries, as well as major emerging economies that have successfully reduced poverty, shows that poverty eradication is enhanced by sustained growth of output and decent jobs. The private sector accounts for 90 per cent of all jobs in developing countries. Governments should support the role played by the private sector in job creation by providing an enabling environment, including by maintaining peace and security, ensuring macroeconomic stability and investing in education, health and infrastructure. There is also a need for employment policies that are tailored to country-specific needs and priorities and integrated within comprehensive macroeconomic policy frameworks.

13. To increase the quantity and quality of employment and decent work, countries have adopted different strategies depending on national circumstances. These include macroeconomic strategies to help stimulate jobs at the aggregate level through measures like government hiring and purchases, the lowering of interest rates to incentivize private investment, transfer payments and tax credits. Countries are actively promoting the creation of green jobs. Countries are also supporting micro, small and medium-sized enterprises by boosting worker productivity through training

[7] United Nations, *World Economic Situation and Prospects 2017*

and the upgrading of skills, establishing business incubators and providing subsidized and low-cost grants and loans, as well as small business financing.

14. National Governments are already stepping in to fill the key role of employer of last resort, especially in situations of structural unemployment. During the 2008 global financial crisis, government hiring of public employees and purchasing activities helped to create jobs. Public investment in infrastructure was also a valuable countercyclical tool in creating jobs. It is important to put in place measures aimed at stimulating labour demand and accelerating employment recovery. In many developing countries, labour-intensive public works programmes have become a major policy instrument for creating short-term employment in situations of high and seasonal unemployment or underemployment. Such programmes have also reduced gender disparities in economic opportunities and minimized income and consumption shortfalls among people living in poverty and other vulnerable segments of the population in times of crises such as drought and famine. Major programmes include the Mahatma Gandhi National Rural Employment Guarantee Scheme in India, the Expanded Public Works Programme in South Africa and the Productive Safety Net Programme in Ethiopia. In Europe, some countries complemented unemployment insurance with short-time compensation programmes. In Germany, the working-time account and the short-time work policy contributed to the unemployment rate falling from 7.6 per cent to 6.4 per cent between 2007 and 2010.

15. Going forward, countries must implement policies that address low-productivity traps, facilitate the transition from the informal to formal employment and tackle precariousness. In Eastern Europe and Central Asia, an estimated 37 million people, comprising one third of the workforce, are in precarious employment.[8] The transition from the informal to the formal economy has been an effective path to the eradication of poverty and a reduction in inequality in Latin America. In that region, improvements in the labour market, particularly formalization and the strengthening of the minimum wage, have been the main drivers of reduction in inequality and poverty since 2000. Such measures could be considered by other regions as a core objective of national development strategies. An integrated approach towards the formalization of informal economies can be accomplished by simultaneously facilitating the transition of workers and economic units from the informal to the formal economy; promoting the creation, preservation and sustainability of enterprises and decent jobs in the formal economy; and promoting the coherence of macroeconomic, employment, social protection and other social policies.

16. To tackle youth unemployment, countries need to find more effective ways to address both the quality and quantity of employment opportunities. These policies should combine macroeconomic policies, investment in skills development and employability, active labour market policies and support for entrepreneurship. In addition to increased investment in education, efforts should be made to address the mismatch between education and the needs of the labour market.

17. Furthermore, countries need to harness the productive potential of gender equality by tackling gender-based discrimination in the labour market. Most women workers find themselves in vulnerable employment and in working poverty; therefore, any strategy aimed at achieving inclusive growth and poverty eradication must address gender inequality in labour markets explicitly. In many countries, this will require addressing the pattern of growth. As some countries moved to labour-intensive, export-oriented production, many women entered such sectors, but at very low wages and without social protection. Countries should also focus on removing

[8] United Nations Development Programme, *Regional Human Development Report 2016: Progress at Risk — Inequalities and Human Development in Eastern Europe, Turkey and Central Asia* (Istanbul, 2016).

the structural barriers to the engagement of women in economic activities and on freeing up the time of women so that they can take advantage of new employment opportunities. This includes strengthening their employability capacity and skills, promoting access to finance and facilitating more equitable household relationships. Public investment in social care and physical infrastructure can both create decent jobs for women and reduce their unpaid work burden.

B. Education

18. The provision of equitable and inclusive quality education to all is critical to eradicating poverty in all its forms. In that regard, sustained poverty eradication requires that the current generation of children and youth acquire the necessary education and skills that would prevent them from falling into poverty in the future. This requires access to universal primary and secondary education for all, particularly for disadvantaged and vulnerable children and youth. In 2015, an estimated 264.3 million children, adolescents and youth were out of school. Of these, 61 million (23 per cent) were children of primary school age, 62 million (23 per cent) were adolescents of lower secondary school age and 141 million (53 per cent) were youth of upper secondary school age. While out-of-school rates have declined over the past 15 years, progress has stalled since 2008, with sub-Saharan Africa continuing to have the highest rates, followed by Central and South Asia.

19. Addressing the educational needs of out-of-school children and the large regional and within-country differences has tremendous implications for poverty eradication efforts. The United Nations Educational, Scientific and Cultural Organization estimates that achieving universal primary and secondary education could lift 420 million people out of poverty, while having all adults complete secondary school would halve the global poverty rate. Countries also need to harness a demographic dividend by investing in education, skills development and health. Doubling the share of skilled workers in Africa, through improvements in education, from 25 to 50 per cent between 2011 and 2030, could see the continent's economy expand by 22 per cent and the number of poor fall by an additional 51 million people by 2030.[9]

20. To reduce poverty and to prevent the intergenerational transmission of poverty, countries have been implementing various education strategies. These include increasing school enrolment by building schools, offering free education, providing inputs such as textbooks and uniforms, reducing class sizes and training more teachers. Latin American countries have spearheaded the implementation of conditional cash transfer programmes that pay parents whose children are enrolled in school. Rigorous evaluations of the effectiveness of these programmes have shown convincing evidence of their success in raising enrolment. In addition to increasing enrolment rates, countries such Colombia, Mexico and Nicaragua have also seen improvements in preventive health care and household consumption. Similarly, Bangladesh experienced an increase in the enrolment of girls in school and improvements in retention after the Government implemented the Female Stipend Programme and the Female Secondary School Assistance Programme in the early 1990s. The programmes lowered the cost of education by paying parents to keep their daughters in school. Enrolment of girls in school grew from about half that of boys to surpass that of boys. The Female Secondary School Assistance Programme also increased women's years of education by between 1.6 and 2 years, and the age of

[9] Amer Ahmed and others, "How significant Is Africa's demographic dividend for its future growth and poverty reduction?", Policy Research Working Paper No. WPS7134 (World Bank Group, December 2014).

marriage of women by between 1.4 and 2.3 years. Labour force participation rates of married women also increased, particularly in the garment industry, which employs over 85 per cent of female workers. The arrival of the garment industry in Bangladesh led to a 13.3 per cent increase in the likelihood that a girl was enrolled in school.

21. To enhance the contribution of education to poverty eradication, countries must tackle the lack of equal opportunities, address cultural biases against the girl child, improve the quality of education, build education infrastructure and invest in teachers. There is also a need for increased, more effective and equitable domestic funding for education. In recent years, global funding for education has decreased, leading to a major funding gap.[10] Educational systems should provide young people with the right mix of knowledge and experience to prepare for active citizenship.

C. Health

22. Improving health outcomes and promoting well-being for all people everywhere is a fundamental goal of the 2030 Agenda. It is also a means of achieving development objectives relating to the eradication of poverty in all its forms. To reduce the burden of disease and improve the health status of their citizens, countries have been implementing a plethora of strategies. These include increasing universal health coverage, providing clean water and sanitation, increasing coverage of child immunization, expanding HIV/AIDS and tuberculosis treatment programmes, conducting campaigns to eradicate malaria, promoting the use of reproductive health and family planning services, improving nutrition and reducing slum settlements. Results from country case studies exploring factors contributing to progress in reproductive, maternal, newborn and child health in Afghanistan, Bangladesh, China, Ethiopia, Kenya, Malawi, the Niger, Pakistan, Peru and the United Republic of Tanzania found that coverage increased most for interventions, such as immunization and insecticide-treated nets, that were administered at lower levels of the health system. These interventions also received considerable political and financial support.[11] Reductions in under-5 mortality were more pronounced in countries with effective community-based interventions, particularly those with increased equity of coverage.

23. Countries have also prioritized reducing maternal and child mortality. Ethiopia leveraged multisectoral policies that integrated child survival and stunting goals within macro-level policies and programmes designed to reduce poverty and improve agricultural productivity, food security, the supply of clean water and sanitation. The results were phenomenal. Under-5 mortality declined from 166 deaths per 1,000 live births in 2000 to 67 deaths per 1,000 live births in 2016. Improvements in child nutrition accounted for half of the averted deaths. Between 2000 and 2014, coverage of child immunization increased from 21 per cent to 80 per cent of children, the prevalence of stunting declined from 60 per cent to 40 per cent and antenatal care increased from 10 per cent to 32 per cent of women. Increases in health funding enabled the accelerated expansion of the health infrastructure and workforce through an innovative community-based delivery system.[12]

[10] United Nations Education, Scientific and Cultural Organization, *Global Education Monitoring Report 2016, Education for People and Planet — Creating Sustainable Futures for All* (Paris, 2016).

[11] Corrina Moucheraud and others, "Countdown to 2015 country case studies: what have we learned about processes and progress towards MDGs 4 and 5?", *BMC Public Health*, vol. 16, supp. 2 (12 September 2016), pp. 33–49.

[12] Jenny Ruducha and others, "How Ethiopia achieved Millennium Development Goal 4 through multisectoral interventions: a countdown to 2015 case study", *The Lancet Global Health*, vol. 5, No. 11 (November 2017), pp. e1142–1151.

24. Countries have also raised basic income support for families, people living in poverty, persons with disabilities, older persons and other disadvantaged groups to increase economic resources that are necessary to obtaining the fundamental prerequisites for health such as adequate shelter and nutrition. These measures, provided through universal primary health care or as part of social protection measures, have resulted in significant health improvements in many developing countries, lowering the burden of disease and its impact on poverty. Research has shown that conditional cash transfers aimed at changing health-related behaviours of people living in poverty are associated with reductions in poverty and inequality, as they result in increased use of health-care services and improved nutritional and anthropometric outcomes, including with regard to stunting.[13] To further reduce poverty and inequality through cash transfers, countries should expand coverage, increase benefits and improve the quality of services.

25. Nevertheless, while significant progress has been made in reducing the prevalence of illnesses, increasing life expectancy and improving reproductive, newborn, maternal and child health, further improvements that contribute to the eradication of poverty need to include all aspects of health status and population-level and individual-level health service coverage, including among poor, vulnerable or disadvantaged populations and regions. Annually, 100 million people are driven below the poverty line because of direct health costs.[14] Countries should therefore progressively achieve universal health coverage, defined as access for all people and communities to services that they need without financial hardship. Nevertheless, available data from 2005 to 2015 indicate that more than 40 per cent of all countries have less than 1 physician per 1,000 people, and around half have fewer than 3 nurses or midwives per 1,000 people. Almost all least developed countries have less than 1 physician and fewer than 3 nurses or midwives per 1,000 people.

26. Meeting universal health coverage and the other Sustainable Development Goal health targets could prevent 97 million premature deaths in a sample of 67 low- and middle-income countries between 2016 and 2030, and life expectancy could increase by as much as 8.4 years. These gains would require significant investment. An additional $274 billion per year in spending on health is needed by 2030 to make progress towards the targets of Sustainable Development Goal 3 under a progress scenario in which the advancement of countries towards global targets is constrained by their health system's assumed absorptive capacity. An additional $371 billion would be required under an ambitious scenario in which most countries attained the global targets. In both scenarios, health system investment that includes employing more health workers, building and operating new clinics, hospitals and laboratories and buying medical equipment would account for about 75 per cent of the total cost.[15]

D. Social protection

27. There has been considerable progress throughout the world in using social protection measures and schemes and well-designed redistributive programmes to reduce poverty and inequality, promote decent work, improve health and education outcomes and improve access to food and better nutrition. Studies have shown that

[13] Mylene Lagarde, Andy Haines and Natasha Palmer, "Conditional cash transfers for improving uptake of health interventions in low- and middle-income countries: a systematic review", *JAMA*, vol. 298, No. 16 (24/31 October 2007), pp. 1900–1910.

[14] World Health Organization (WHO), *The World Health Report: Health Systems Financing — The Path to Universal Coverage* (Geneva, WHO, 2010).

[15] Karin Stenberg and others, "Financing transformative health systems towards achievement of the health Sustainable Development Goals: a model for projected resource needs in 67 low-income and middle-income countries", *The Lancet Global Health*, vol. 5, No. 9 (September 2017), pp. e875–887.

social protection programmes are currently preventing 150 million people from falling into poverty.[16] The provision of social protection also contributes to reductions in inequality. In Central Asia and Eastern Europe, social insurance schemes lowered the Gini coefficient by almost 16 points. In Latin America, public cash transfers reduced the Gini coefficient by 28 per cent in Chile, 26 per cent in Mexico and 20 per cent in Brazil. Nevertheless, while cash transfers have spread across the developing world, in most countries they account for less than 0.25 per cent of GDP, an aspect that restrains the effect they can have on poverty and inequality.

28. The 2017 *Report on the World Social Situation* reviews evidence from around the world that shows the potential of social protection systems to prevent poverty, reduce inequality and promote social inclusion. The report notes that universal access to social protection is a fundamental human right and, together with access to social services, is necessary to break the intergenerational cycle of poverty and promote inclusion. Social protection will have a limited impact on inclusion, however, if it is not complemented by broader interventions that address access to resources and their redistribution, as well as tackle the drivers of exclusion and discrimination. The report underscores that, to leave no one behind, social protection must be universally available and accessible, and provide sufficient benefits.

29. Comprehensive social protection systems are a common feature in more developed regions, while an increasing number of countries in less developed regions are expanding their social protection programmes or putting new programmes in place. Still, only 45 per cent of the world's population was effectively covered by at least one social protection scheme in 2016. Even in countries where social protection is guaranteed by law, effective coverage varies significantly by age, sex, ethnicity, disability status and migrant status. Hence, not all segments of the population are reached effectively. Discrimination, socioeconomic disadvantage and the way in which policies are designed and implemented keep social protection out of the reach of some individuals and groups.

30. To enhance the contribution of social protection schemes to poverty eradication, synergies between social protection and employment should be strengthened, including where complementarities between multisectoral public employment and cash transfers are proven to be effective in reducing income and non-income poverty and inequality. These programmes have long-term positive effects, as they enable sustained escapes from poverty by allowing beneficiaries to invest in the formation of human capital and raise their ability to earn higher incomes in the long run, in addition to creating needed infrastructure, community assets and services. Nevertheless, cash transfers alone are not likely to decrease inequality or produce large impacts on income unless the quality of health and education services is improved. The effectiveness of public employment as part of social protection schemes depends on how such schemes are designed, targeted and delivered. Moreover, social protection generates important social and economic impacts, but by itself it will not be able to sustainably move people out of poverty. There is a need for an integrated approach, linking social protection with other programmes, including agriculture, employment and financial inclusion.

31. While considering expanding and scaling up social protection, inclusiveness is key, including ensuring that rural dwellers and smallholder farmers are effectively reached and their multiple vulnerabilities are specifically addressed. Cash transfers can also provide critical resources for funding job searches, supporting quality training and skills development, increasing access to credit and bolstering the resilience of agricultural smallholders in maintaining production. Many countries in

[16] Ariel Fiszbein, Ravi Kanbur and Ruslan Yemtsov, "Social protection and poverty reduction: global patterns and some targets", *World Development*, vol. 61 (September 2014), pp. 167–177.

Asia, Africa and Latin America have developed ways of coordinating social protection measures with labour market policies and services. This has strengthened opportunities for the unemployed to return to the labour market. For example, the rate of economic activity of adult participants in many Latin American cash transfer programmes, and of beneficiaries of similar schemes in South Africa, was increased by boosting their employability through simple investments in and access to training and employment services.

32. Civil society organizations are also implementing innovative programmes targeting the poorest. The "Targeting the Ultra-Poor" graduation programme of BRAC is being implemented in 11 countries across Asia and Africa. The programme assists those further left behind in accessing basic social services and empowers them to engage with markets and their own communities and graduate from extreme poverty.[17] By implementing interventions tailored to meet local needs, such programmes have led to sustained results in improving incomes and self-employment; reducing food insecurity; increasing assets, savings, job placement rates, school enrolment and graduation; and lowering the prevalence of child marriages.

IV. Policies to promote inclusive and equitable economic growth for poverty eradication

33. Growth has been a major driver of poverty reduction. Going forward, eradicating poverty by 2030 will require inclusive structural transformation, strong growth with employment creation and reductions in inequality. In some countries, eradicating poverty will not be automatic, as the remaining poverty is less responsive to growth and hardest to reach. With rising inequality, growth has become less inclusive over the years, losing its efficacy in reducing poverty and creating sufficient employment.

A. Structural transformation to promote pro-poor growth

34. To realize the Sustainable Development Goal of poverty eradication in all forms everywhere is a global challenge. Meeting this goal with no one left behind will require making very rapid progress in the least developed countries and Africa, as well as addressing rising pockets of poverty in some developed countries. The historical experience of today's developed countries, as well as that of regions that have made considerable progress in reducing poverty, such as East Asia and Pacific, clearly indicate the importance of economic growth that has been accompanied by a dramatic increase in the share of manufacturing employment and an increase in the share of manufacturing value added in the economy. At the same time, in regions that have not made similar progress in reducing poverty, or that have done so at a much slower pace, such as Africa and the least developed countries, economic growth has occurred with a stagnant or decreased share of manufacturing employment and manufacturing value added in the economy. In these regions, economic growth has largely been commodity-driven and unaccompanied by sustainable and inclusive structural transformation and significant creation of employment. In developing countries, growth in the manufacturing sector is more effective at sustaining inclusive poverty reduction, in sharp contrast to other sectors which create fewer jobs and upgrading of technology, and less stable growth over time. Jobs in manufacturing tend to be more productive and therefore offer higher wages relative to employment in

[17] BRAC, "BRAC's Ultra-Poor Graduation Programme: an end to extreme poverty in our lifetime". Available from www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/genericdocument/wcms_494535.pdf.

sectors such as agriculture and services. The United Nations Industrial Development Organization estimates that manufacturing alone provides more than half a billion jobs globally per year and that every job in manufacturing also creates 2.2 jobs in other sectors because of the multiplier effect of industry.

35. In developed countries, however, the share of manufacturing employment in total employment and the absolute number of manufacturing jobs have generally been falling, resulting in growing economic anxiety and increases in pockets of poverty and income inequality within some countries. For developed countries, a shift to higher levels of industrialization driven by significant investments in the formation of human capital and a rapid pace of technological innovation in high-tech industries has the potential to absorb a significant share of the jobs lost in manufacturing.

36. In developing countries, a key challenge is identifying the policies and strategies necessary to foster sustainable and inclusive structural transformation. In the case of Africa, greater efforts are required to reverse the deindustrialization that began in the late 1970s. This will require broad industrial policy that encompasses learning by infant industries, a focus on sectors with high growth potential such as labour-intensive light manufacturing, agroprocessing and services, and industrial and technology innovation and acquisition policies. It will also include promoting entrepreneurship, particularly that of start-ups and small and medium-sized enterprises with the potential for growth and employment creation. Countries such as Ethiopia, Kenya, Mauritius and South Africa have demonstrated the utility of using industrial policy to enhance growth and reduce poverty.

37. Furthermore, Governments in developing countries must stimulate structural transformation by promoting productivity growth in agriculture and the rural non-farm economy. The sector remains the largest employer in these countries and most of the poor also live in rural areas. Indonesia, Japan, Malaysia, the Republic of Korea and Thailand all pursued an agricultural development-led industrialization. Economic transformation and poverty reduction in China were also initially based on improving agricultural productivity and supporting township and village enterprises.

B. Policies promoting financial inclusion

38. Poverty and inequality are multifaceted challenges that need a multiplicity of solutions to combat them. Innovative and inclusive finance that promotes universal access for individuals and micro, small and medium-sized enterprises, at a reasonable cost, to a wide range of financial services is one such solution. A study covering 37 Asian countries found that higher financial inclusion was an effective tool that significantly helped reduce poverty and lowered income inequality.[18] Although financial inclusion is not a silver bullet to get people out of poverty or reduce inequality, it plays a critical role by creating employment and additional income and savings buffers. It enables individuals and small and medium-sized enterprises to make longer-term consumption and investment decisions, participate in productive activities and cope with unexpected shocks. Around the world, countries are leveraging innovative and inclusive finance for poverty eradication using mobile phones to increase access to financial services by people living in poverty, women, rural dwellers and small and medium-sized enterprises. Low-income households and vulnerable groups are increasingly using money transfer platforms to expand their social networks and diversify risk, enhancing their resilience to unexpected negative shocks.

[18] Cyn-Young Park and Rogelio V. Mercado, Jr., "Financial inclusion, poverty and income inequality in developing Asia", Asian Development Bank Economics Working Paper Series No. 426 (January 2015).

39. To reduce poverty and combat inequality, Governments must implement policies that eliminate the impediments to financial inclusion, particularly for women, youth and other disadvantaged groups. The experience of Kenya in implementing innovative and inclusive financial solutions has shown that realizing the full potential of inclusive finance requires innovative and proactive leadership, coordination and sustained effort from Governments, the private sector, development partners and consumers.[19] Regulators must proactively seek to understand emerging innovations and potential risks, and how to regulate them. This allows policymakers to carefully consider novel approaches to regulating technology and ensure that the necessary safeguards are applied to lessen any potential risks of innovative financial models and solutions, to facilitate rather than stifle them. More importantly, all players within the financial inclusion space need to have a deep understanding of the financial lives of poor and low-income people, including how they acquire, manage and use their money. In that way, they will be able to design appropriate frameworks and products that fit their unique needs and empower them to better manage their finances.

C. Infrastructure development

40. Among the factors trapping people in poverty, some are broad in nature and can be resolved only by taking public or collective action on a sufficiently large geographical scale. These include public investments in infrastructure that prioritize social and economic inclusion and accessibility, boost interconnectivity, trade and regional integration and meet the needs of poor people and disadvantaged areas, including through clean water and sanitation, rural roads, irrigation and electrification. Affordable urban housing and mass transit systems can also have significant poverty reduction impacts. Such investments require State capacity and administrative units suitable to be entrusted with the responsibility for planning, and mobilizing resources, and overseeing and managing investments on a sufficiently large scale. There are also factors which are best addressed at the local or village level, such as building and managing a local irrigation system and farm road network, engaging in farmland consolidation, investing in and managing local schools and health clinics, and promoting local technical extensions.

41. Infrastructure is critical for promoting human development through improving people's access to public goods and services and their inclusion in societies. Estimates suggest that, in sub-Saharan Africa, real GDP growth could increase by 1–2 percentage points a year if the region's $50 billion a year infrastructure gap were closed. In China, roads significantly reduced poverty incidence through raising agricultural productivity and non-farm employment. For every 10,000 yuan invested in rural roads, about 3.2 poor people were lifted out of poverty.[20] In Indonesia, roads contributed to poverty reduction through economic growth. For every 1 per cent growth in provincial GDP, the poverty incidence fell by 0.33 per cent in provinces with good roads, as compared with a reduction of 0.09 per cent in provinces with bad roads.[21] The construction of provincial roads improved the wages and employment of people living in poverty. Besides investments in rural roads, poverty has also been found to significantly respond to investments in irrigation networks. In India, the

[19] Matu Mugo and Evelyne Kilonzo, "Community-level impacts of financial inclusion in Kenya with particular focus on poverty eradication and employment creation". Available from www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2017/04/Matu-Mugo-and-Evelyne-Kilonzo-UN-SDGs-Paper5May2017-Kenya-Financial-Inclusion.pdf.

[20] Shenggen Fan, Linxiu Zhang and Xiaobo Zhang, *Growth, Inequality and Poverty in Rural China: The Role of Public Investments*, Research Report No. 125 (Washington, D.C., International Food Policy Research Institute, 2002).

[21] Eunkyung Kwon, "Infrastructure, growth and poverty reduction in Indonesia: a cross-sectional analysis" (Asian Development Bank, 2000).

Philippines, Thailand and Viet Nam, levels of poverty were found to be much lower in irrigated areas than in unirrigated areas.[22] Overall, investment in rural infrastructure contributes to poverty eradication by raising farm and non-farm productivity and boosting decent employment and income opportunities.

42. To facilitate pro-poor growth, countries must also eliminate infrastructure bottlenecks that inhibit the expansion and productivity of micro, small and medium-sized enterprises. Besides improving the business environment of non-farm enterprises that already exist, addressing infrastructure bottlenecks also facilitates the transition from family-based ventures to enterprises that make a greater contribution to decent employment creation, poverty reduction and the local economy.

V. Agricultural growth, rural development and poverty eradication

43. GDP growth originating in agriculture is on average at least twice as effective in reducing poverty as growth in non-agricultural sectors. Such growth reduces poverty by raising farm incomes, creating employment and lowering food prices. Hence, eradicating poverty in all its forms in most developing countries requires policies and strategies to revitalize and reinvest in smallholder farmers and the rural non-farm economy, which accounts for 35 to 50 per cent of the income of rural households in the developing world. This is particularly so in the least developed countries, where agricultural productivity is low, despite the large share of agriculture in GDP, and extreme poverty remains pervasive. These investments entail increasing public and private investment in agricultural research and extension services, undertaking small-scale mechanization, increasing usage of high yielding seed varieties and fertilizers, and improving infrastructure and access to markets. National governments must establish more effective strategies for transferring readily adaptable technologies to local farmers.

44. Improving agricultural productivity also requires addressing climate change, raising real wage rates of agriculture labour and providing adequate social protection. Direct State support to smallholder farmers, combined with balanced and inclusive rural development that promotes the rural non-farm economy and raises wages for agricultural workers, is critical in this respect. Research has shown that the strongest pro-poorest growth in rural areas occurs when support for smallholder farmers is augmented by policies that stimulate the expansion of the rural non-farm economy. The rural non-farm economy contributes to income growth through the expansion of decent employment opportunities in agroprocessing and micro, small and medium-sized enterprises. Strengthening cooperatives and producer organizations is also an effective strategy to empower rural people living in poverty and make the rural economy more productive.

45. While country context matters in determining which sectors have the largest impact on poverty eradication, studies have shown that agricultural growth has been most effective in sub-Saharan Africa and South Asia. Countries like Bangladesh, China, India, Indonesia and the Philippines made tremendous progress in boosting agricultural productivity, achieving food self-sufficiency and reducing extreme poverty when they addressed the multiple dimensions of productivity growth, including through the adoption of modern technologies during the Green Revolution. In India, 85 percent of the reduction in poverty is attributed to agricultural growth.

[22] Madhusudan Bhattarai, R. Sakthivadivel and Intizar Hussain, "Irrigation impacts on income inequality and poverty alleviation: policy issues and options for improved management of irrigation systems", Working Paper No. 39 (Colombo, International Water Management Institute, 2002).

The adoption of modern technologies during the Green Revolution raised farm productivity, improved food security and welfare and lowered food prices, benefiting poor households and urban consumers, who devote a far higher share of their incomes to spending on food. It also raised rural incomes, allowing households to invest in children's education and health and, in the process, tackle the intergenerational transmission of poverty. Similarly, rapid growth in agriculture in Viet Nam has played a major role in reducing poverty, while the strong economic performance of Rwanda during the 1999–2011 period benefited from productivity growth in the agricultural sector. Peru is also tackling high levels of extreme poverty in disadvantaged regions by increasing and improving agricultural performance through expanding irrigation systems and improving technology. This has resulted in significant crop intensification and in many farmers switching to crops with a higher market value.

46. Incorporating gender- and youth-responsive policies and programmes in agriculture is also important. The gender productivity gap in agriculture disappears altogether when access to productive inputs is considered. In some countries, eradicating poverty and combating inequality also require comprehensive land policies that include land redistribution, the institutionalization of democratic land control, the removal of forms of exclusion such as gender, generational, ethnic and economic exclusion, and the development of fair, responsive land administration systems. It is also vital to reduce the incidence of landlessness, moderate the tendency towards greater land concentration and exert much greater public control over land grabs. The loss of community access to land and other natural resources has often led to increased conflict over livelihoods and greater inequality. Local farming communities, particularly indigenous populations, have often been dispossessed with little consultation or adequate compensation.

VI. Climate change and natural disasters

47. The frequency and intensity of negative impacts of climate change disproportionately affect poor and vulnerable people, posing greater challenges to the eradication of poverty. For countries that are vulnerable to natural disasters, it is difficult to sustain economic growth, much less continually accelerate growth and reduce poverty for a prolonged period. Hence, there is a need to set aside resources for prevention, response, reconstruction and recovery from such events, building resilience and scaling up the provision of employment opportunities and social protection. Eradicating poverty and leaving no one behind require reducing risks and vulnerability for low-income and disadvantaged communities in both rural and urban areas.

48. Climate change is predicted to increase the number of people living in poverty in both developed and developing countries, with severe impacts for urban areas and some rural regions in sub-Saharan Africa and South-East Asia. This will exacerbate existing poverty in the least developed countries and lower middle-income countries.[21] Many events that affect people living in poverty are weather-related, including short periods of extreme temperature and minor changes in rainfall, but remain unrecognized in many low-income countries.

49. Climate change affects both rural and urban families living in poverty but in different ways. In rural areas, changing climate trends are expected to shift rural

[21] Lennart Olsson and others, "Livelihoods and poverty" in Intergovernmental Panel on Climate Change, *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*, Christopher Field and others, eds. (Cambridge, United Kingdom, and New York, Cambridge University Press, 2014), chap. 13.

livelihoods from crop-based to hybrid livestock-based livelihoods or to wage labour in urban employment. These shifts are likely to increase rural-to-urban migration and intensify pressures on urban physical and social infrastructure. Climate change will also create new poverty pockets in upper-middle-income and high-income countries, where inequality is on the rise. Poor households in rural and urban areas that are dependent on wage labour and are net buyers of food will be particularly affected as a result of food price increases, especially in regions with high food insecurity and high inequality.

50. People living in poverty are more vulnerable to climate shocks. They have limited assets and access to social protection, finance and adaptive technologies. With limited capacities to recover from natural disasters, they are often unprepared for extreme weather events, which push them from relative to absolute poverty or trap them in intergenerational poverty. Hence, climate-related vulnerability should be well incorporated into national development plans and strategies for eradicating poverty and reducing inequality. Countries should improve investments in risk-reducing services, such as safe water and sanitation and affordable electricity, and enhance the capacity of local Governments, including their ability to effectively respond to the effects of natural disasters. To make local communities more climate-informed, concrete strategies should be developed. These include conducting comprehensive vulnerability assessments to develop resilience plans, incorporating uncertainty in resilience planning, including vulnerable groups and poor communities in decision-making processes, monitoring and evaluating adaptation options to learn what works and scaling successful adaptation interventions.

51. In recent years, the interlinkages among social protection, disaster risk reduction and energy access have been addressed to create climate-resilient development pathways. Social protection, including cash transfer programmes, can be an effective tool to help poor families reduce climate risks and protect assets during recovery. "Adaptive social protection" has emerged to strengthen the resilience of vulnerable populations to shocks. As social protection in general is not intended to strengthen local government capacity in risk reduction, for example, by providing water, sanitation and emergency services, or to strengthen local collective capacity to address climate-risks, there may be a space to include such elements.

VII. Means of implementation

52. The Addis Ababa Action Agenda provides a global framework for financing sustainable development and is an integral part of the 2030 Agenda for Sustainable Development. Nevertheless, in their follow-up and review of the financing for development outcomes and the means of implementation of the 2030 Agenda during the 2017 Economic and Social Council forum on financing for development follow-up, Member States expressed concern about the significant impacts of difficult macroeconomic conditions, low commodity prices, subdued trade growth, volatile capital flows, natural disasters, climate change, environmental degradation, humanitarian crises and conflicts on national efforts to implement the Addis Ababa Action Agenda. Member States also expressed concern that the current global trajectory would not lead to achieving the goal of eradicating poverty in all its forms and dimensions by 2030.[24]

53. To accelerate poverty eradication efforts, countries must raise sufficient domestic resources through taxes and spend those resources effectively to promote inclusive development. Countries need to address tax policy and administration,

[24] See E/FFDF/2017/3.

governance and high levels of informality. In that regard, developing countries have stepped up efforts to mobilize domestic resources. Domestic revenue has been on the rise in many African countries in recent years, with tax revenues continuing to be the most important source of domestic financing. Official development assistance, foreign direct investment, remittances, debt relief, aid for trade, funds from philanthropic organizations and the combating of illicit financial flows are also critical to achieving the 2030 Agenda. Total net official development assistance from members of the Development Assistance Committee of the Organization for Economic Cooperation and Development reached a new peak of $142.6 billion in 2016, up from $131.6 billion in 2015. This represented a rise of 8.9 per cent in real terms. A rise in aid spent on refugees in donor countries boosted the total in 2016. Nevertheless, bilateral net official development assistance to the least developed countries fell by 3.9 per cent between 2015 and 2016, to $24 billion. Net official development assistance to Africa also fell by 0.5 per cent, to $27 billion in 2016, of which $24 billion was for sub-Saharan Africa, representing a decline in real terms of 0.7 per cent for sub-Saharan Africa.[25]

54. While notable improvements have been made, the domestic tax base remains narrow in many countries owing to persistent challenges in tax policy and administration, and governance, and high levels of informality. Illicit financial outflows from developing countries also continue to grow, undermining efforts to fight poverty through investments in basic services, education, health care, agriculture and infrastructure.[26]

VIII. Conclusion and recommendations

55. Great progress has been made in reducing poverty globally, despite unevenness across regions. Extreme poverty remains high in Africa and among the least developed countries, while relative poverty has increased in developed countries. Countries need to maximize the impact of social, macroeconomic and environmental policies on poverty by ensuring policy coherence and more coordination across sectors in line with the 2030 Agenda and the Sustainable Development Goals. Policy coordination at all levels and among all stakeholders for poverty eradication would require strong political commitment and implementation capacity. In designing policies and measures, countries should build on existing experiences and focus on applying different bundles of strategies that fit different stages of development and national contexts. As countries implement different policies and strategies to promote inclusive growth, eradicate poverty, reduce inequality and protect the environment, it has become increasingly important to share development experiences and learn from others. Policymakers should be bold enough to try evidence-based innovative solutions and share lessons with others. Based on analysis and country experiences, the Commission for Social Development may wish to consider the following recommendations:

(a) **Countries should pursue inclusive social and economic policies that encourage structural transformation of economies, orienting them towards productive employment in secondary and tertiary sectors, promote transition from informal to formal employment, increase the productive capacity of those**

[25] Organization for Economic Cooperation and Development, "Development aid rises again in 2016" (11 April 2017), available from www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2016-detailed-summary.pdf

[26] Global Financial Integrity, "Illicit financial flows to and from developing countries: 2005–2014" (Washington, D.C., April 2017).

who remain in informal employment, address income and non-income inequality, including urban-rural disparities, and promote social and financial inclusion;

(b) Countries should promote active labour market policies that make it easier for people living in poverty, women, youth and other disadvantaged social groups to get decent jobs and for workers to get a fair share of the gains from productivity increases resulting from structural transformation and trade. Such policies must be complemented by measures to eliminate economic, political and cultural barriers to social inclusion and full participation in all aspects of society by people living in poverty and in vulnerable situations, including women, children, youth, indigenous peoples, local communities, older persons, persons with disabilities, migrants, refugees and internally displaced persons;

(c) Countries should prioritize investments in human capital, balanced rural development and infrastructure to reflect the needs of the poor and disadvantaged areas. Such investments should include scaling up the delivery of high quality education and health services, clean drinking water and sanitation, and affordable energy, and building resilience to climate change;

(d) Countries should progressively achieve universal social protection and universal health coverage to reduce poverty and inequality;

(e) Countries should invest in producing disaggregated data with greater regularity, make better use of administrative data and harness big data to inform policymaking and the planning and implementation of programmes and strategies to eradicate poverty.

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Third review and appraisal of the Madrid International Plan of Action on Ageing, 2002

Report of the Secretary-General

Summary

The present report has been prepared in response to the request of the Economic and Social Council in its resolution 2015/5. It assesses the third review and appraisal of the Madrid International Plan of Action on Ageing, 2002, at the international level. The report gives an overview of the regional review and appraisal processes and describes overall trends based on an analysis of the outcome of regional reviews and appraisals and highlights continuing gaps in, and challenges to, the implementation of the Madrid Plan of Action.

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I. Introduction

1. The present report is submitted pursuant to Economic and Social Council resolution 2015/5, entitled "Modalities for the third review and appraisal of the Madrid International Plan of Action on Ageing, 2002".

2. The report presents the conclusions of the third review and appraisal exercise carried out by Member States and coordinated through the Regional Commissions, as requested in paragraph 7 of resolution 2015/5. The report provides an overview of the review and appraisal process in each region, identifies key major trends and roadblocks to implementation across regions within the context of the 2030 Agenda for Sustainable Development, the implementation of which the United Nations system is now focused on supporting, and identifies future areas of focus for regional policy. Conclusions and recommendations are offered for the consideration of Member States. Examples of specific policy developments in each region are also provided.

3. The full summary reports produced by Regional Commissions are available online from www.un.org/development/desa/ageing/3rdreview-mipaa/3rdreview-mipaa-regional-review.html.

II. Overview of the third review and appraisal process of the Madrid International Plan of Action on Ageing, 2002

4. The Economic Commission for Africa (ECA) undertook a mixed method of information gathering, consisting of a questionnaire to member States ascertaining availability of selected data, document reviews, database searches, Internet searches and case studies, to produce an overview report. Overall, ECA reports that, although there has been progress in policy formulation and development, implementation remains uneven, with the most progress being made in the expansion of non-contributory pensions. The lack of data disaggregated by age and sex on even the basic sociodemographic and health indicators is acute and makes the tracking of implementation of the Madrid International Plan of Action on Ageing very difficult. Much of the available data are for younger age groups, and the data that are especially relevant to older persons, such as those on non-communicable diseases, are often lacking. Insufficient funding continues to be a roadblock to implementation.

5. The Economic and Social Commission for Asia and the Pacific (ESCAP) prepared two documents for the Asia-Pacific Intergovernmental Meeting on the Third Review and Appraisal of the Madrid International Plan of Action on Ageing, held in Bangkok from 12 to 14 September 2017: (a) a note by the secretariat on Government actions towards the implementation of the Madrid International Plan of Action on Ageing, 2002: achievements and remaining challenges (E/ESCAP/MIPAA/IGM.2/2); and (b) a note by the secretariat providing an overview of trends in population ageing and related institutional responses in Asia and the Pacific (E/ESCAP/MIPAA/IGM.2/1). Member States adopted an outcome document that prioritizes action for the next five years to further implement the Madrid Plan of Action (E/ESCAP/MIPAA/IGM.2/3, annex II). ESCAP also produced a publication entitled *Addressing the Challenges of Population Ageing in Asia and the Pacific: Implementation of the Madrid International Plan of Action on Ageing*, which presents the outcomes of the review and appraisal and discusses population ageing within the context of the implementation of the 2030 Agenda for

Sustainable Development.[1] ESCAP notes uneven progress across the region and across the priority areas of the Madrid Plan of Action. While there is an increasing awareness of population ageing reflected in national policies and legislation, the scope of policies varies, and policies sometimes lack implementation and monitoring plans. Progress is still too weak in the provision of social protection. Cash transfer programmes for those living in extreme poverty are often means-tested and unevenly distributed, and offer very low benefits, which particularly affects older women, who are disproportionately represented as beneficiaries of cash transfers. Providing universal and free access to health care remains a challenge, and there are limited geriatric facilities beyond the high-income member States.

6. For members of the Economic Commission for Europe (ECE), the focus since the second review and appraisal has been on encouraging longer working lives and maintaining functional abilities; promoting participation, non-discrimination and social inclusion; promoting dignity, health and independence in old age; and maintaining and enhancing intergenerational solidarity. A synthesis document was produced by ECE that analysed progress made towards achieving those goals.[2] The Commission organized a ministerial conference on ageing in Lisbon on 21 and 22 September 2017, entitled "A sustainable society for all ages: realizing the potential of living longer". A civil society and a research forum took place on 20 September, both of which adopted declarations.[3] A ministerial declaration was adopted by member States.[4] ECE points out that the past five years in the region have seen a difficult and uneven recovery from the global economic crisis, with the remnants of persistent unemployment and increased poverty rates and social exclusion in some member States, particularly in Commonwealth of Independent States countries and Southern Europe.

7. The Economic and Social Commission for Western Asia (ESCWA) held a regional review meeting in Beirut on 3 August 2017, and issued a comprehensive report entitled "Ageing in the ESCWA region: third review and appraisal of the Madrid International Plan of Action on Ageing — 2017".[5] The region has member States at various levels of demographic ageing and economic development and diverse cultural and political processes, which is reflected in policy development and implementation. There is also more focus on certain policy issues than on others, which reflects economic and cultural differences, and the uneven availability of research on ageing and age- and sex-disaggregated data. ESCWA notes that "a main barrier to the advancement of the ageing agenda has been the disconnect between policies passed by relevant institutions and the degree and scope of implementation on the ground".

[1] *Addressing the Challenges of Population Ageing in Asia and the Pacific: Implementation of the Madrid International Plan of Action on Ageing* (United Nations publication, Sales No. E.17.II.F.17). Available from www.unescap.org/publications/addressing-challenges-population-ageing-asia-and-pacific-implementation-madrid.

[2] Available from www.unece.org/fileadmin/DAM/pau/age/Ministerial_Conference_Lisbon_Practical_infos/Synthesis_report_MIPAA15_Room_Document_with_Annex.pdf.

[3] Statement of the UNECE Regional Research Forum on Ageing to the Ministerial Conference on Ageing, held in Lisbon from 20 to 22 September 2017, available from www.unece.org/fileadmin/DAM/pau/age/Ministerial_Conference_Lisbon/Research_Forum/Statement_ResearchForum_Lisbon_2017.pdf, and political declaration of non-governmental organizations made to the ECE Ministerial Conference on Ageing, available from www.unece.org/fileadmin/DAM/pau/age/Ministerial_Conference_Lisbon/NGO_Forum/NGO_Political_Declaration_-_final.pdf.

[4] 2017 Lisbon Ministerial Declaration, "A sustainable society for all ages — realizing the potential of living longer", 22 September 2017. Available from www.unece.org/fileadmin/DAM/pau/age/Ministerial_Conference/Lisbon/Documents/2017_Lisbon_Ministerial_Declaration.pdf.

[5] Available from www.un.org/development/desa/ageing/wp-content/uploads/sites/24/2017/02/escwa-mipaa-report2017.pdf.

8. The Economic Commission for Latin America and the Caribbean (ECLAC) undertook the review and appraisal exercise via the headquarters office in Chile and the subregional office for the Caribbean in Trinidad and Tobago, based on the priorities of the San José Charter on the Rights of Older Persons in Latin America and the Caribbean (2012).[6] The Charter added additional human rights steps to protect the civil, political, economic, social and cultural rights of older persons to strengthen the rights perspective in implementing the Madrid Plan of Action. The ECLAC subregional office produced a synthesis report for the Caribbean and held an intergovernmental preparatory meeting on 1 and 2 June 2017.[7] The synthesis report notes that the subregion is marked by persistent poverty, high informal sector employment, social inequalities, a low level of institutional development and incomplete social security coverage. ECLAC headquarters held a preparatory expert meeting on the monitoring of the San José Charter in November 2016. The Fourth Regional Intergovernmental Conference on Ageing and the Rights of Older Persons was held in Paraguay from 27 to 30 June 2017. Member States adopted the Asunción Declaration on Building Inclusive Societies: Ageing with Dignity and Rights.[8] ECLAC prepared a report entitled "Challenges to the Autonomy and Interdependent Rights of Older Persons",[9] in which two key emerging issues for the protection of the human rights of older persons were identified: equality and non-discrimination in access to credit, and the right to end-of-life palliative care and a dignified death. In addition, the two continuing issues of long-term care and abuse of older persons, and their related commitments, were also analysed.

III. Major trends

A. Ending poverty in all its forms everywhere

9. The implementation of social protection systems and measures to achieve substantial coverage of the poor and vulnerable by 2030 is the key target of Sustainable Development Goal 1 and also reflects priority direction 1, issues 6 and 7, on eradication of poverty, and income security, social protection/social security and poverty prevention, respectively, of the Madrid Plan of Action.

10. Older persons in all regions can be vulnerable to poverty, although there are often wide variations between and even within countries. For instance, the average poverty rate among older persons in 10 countries of the Caribbean subregion is 17 per cent, with a wide variation from 7 per cent in Trinidad and Tobago to 34 per cent in Belize. This reflects a wide divergence in the availability of contributory pensions, depending on the size of the informal and formal labour markets. For example, in Belize, Saint Lucia and Saint Vincent and the Grenadines, one third or less of older persons receive a social security pension. ECLAC reports that developments since 2012 include small increases in pension levels (Bermuda) or pension framework revisions (Anguilla). In Jamaica, however, a national social protection strategy was adopted in 2014. Most Caribbean countries have implemented non-contributory pensions, with Guyana and Suriname having the only universal models. In Belize, as of 2013, non-contributory pensions covered one quarter of the older population.

[6] Available from http://repositorio.cepal.org/bitstream/handle/11362/21535/1/S2012897_en.pdf.

[7] See www.cepal.org/en/events/caribbean-preparatory-meeting-fourth-regional-intergovernmental-conference-ageing-and-rights.

[8] See https://conferenciaenvejecimiento.cepal.org/4/en/programme/consideration-and-adoption-agreements.

[9] See https://conferenciaenvejecimiento.cepal.org/4/en/documents/challenges-autonomy-and-interdependent-rights-older-persons.

11. In the African region, there have also been a few positive developments in starting or expanding the reach of income support to the general population and older persons. Kenya is adding a universal pension scheme in January 2018 for those aged 70 and over to improve on the National Social Protection Policy of 2012 and a national safety net programme, with cash and access to credit for vulnerable households with persons aged 65 and over. Zambia has increased its national budget allocation from 2.7 per cent in 2015 to 4.2 per cent in 2017 for social protection programmes in general, which includes a social cash transfer programme for qualifying households. In 2015, Madagascar adopted a national social protection programme aimed at improving living conditions, with an emphasis on vulnerable persons in general.

12. Addressing the link between poverty and social exclusion also remains a priority in the ECE region, with a focus on older women. Cyprus introduced a guaranteed minimum income in 2014, as did Slovakia in 2015, to ensure income above the national poverty line. In Portugal, the solidarity supplement for the elderly that was first introduced in 2006 to combat poverty among older persons was increased in 2016 following a reduction in its value and after its coverage declined by 29.8 per cent between 2013 and 2016. To reduce women's risk of poverty in old age, Kazakhstan in 2014 introduced a subsidy for mandatory pension contributions for employed women who are on maternity leave until their child is 1 year old. Czechia noted that a large informal economy in rural areas comprised mostly of small-scale farming with low productivity led to high levels of non-contribution to health and social insurance plans and therefore poverty in old age.

13. ESCWA reports that labour participation and retirement policies for older persons remain contingent on national social and economic resources and needs, and have exhibited little change over the past five years. Therefore, while programmes that ensure social security and income generation specifically for older persons have increased during that time, they remain few and uneven across countries. For the most part, existing programmes target the general population rather than older people specifically.

14. In the ESCAP region, most countries have some type of pension system, although coverage remains low in general and it is common for less than half of the working age population to have access to a pension. Nevertheless, pension reforms and expansion have been evident in some countries, particularly in rapidly ageing societies. In China, a contributory pension was introduced in urban and then in rural areas, with 80 per cent of both populations covered by 2012. In 2014, the two schemes were integrated into one and this was followed by the establishment of an occupational pension system in 2015. By the end of 2016, the Chinese population insured under the pension insurance system had reached 888 million.[10] In the Republic of Korea, the pension system was reformed in 2015 to provide a guaranteed basic pension to all older persons to address high poverty rates among that group. The Russian Federation is developing a three-part strategy on long-term development of the pension system for the period 2012–2030, which incentivizes voluntary later retirement through increased benefits. While most countries in the region have means-tested non-contributory pensions for the very poor, such schemes tend to have very low benefit levels. Myanmar recently introduced a new universal social pension for those over age 90, and in 2014 China launched an old-age allowance policy, giving those over 70 a monthly allowance adjusted for location and age. Some member States, such as China, Sri Lanka and Tonga, are also starting to target support for workers in the very large informal sector. Singapore introduced

[10] Statement to the Third Committee of the General Assembly by the Government of China, 3 October 2017.

the Silver Support Scheme in 2016 for older persons in the bottom 20 per cent income group and a universal long-term care assistance scheme in 2016 targeting the most vulnerable groups, including older persons, with monthly cash assistance.

B. Ensuring healthy lives and promoting well-being for all at all ages

15. From a multidimensional perspective, and closely linked to ending poverty everywhere, Sustainable Development Goal 3, on ensuring health and well-being at all ages, which is also the goal of the Madrid Plan of Action priority direction II, remains a priority in all regions. As noted during the second review and appraisal, however, health policy initiatives are less developed in some regions than in others. Furthermore, the pace of development of mental health policies, particularly for older persons, continues to be slow in some regions.

16. In the Caribbean region, health-care systems are mostly two-tier, being 60 per cent public and 40 per cent private, and demand for free care often outstrips resources, in particular, for secondary and tertiary care. Nevertheless, developments have taken place in efforts to expand universal health care access, for example, through the Bermuda Health Strategy 2014–2019 and the FutureCare Benefits programme, which will ensure access to basic insurance and essential health care for all. Similarly, in Sint Maarten, a draft ordinance for a national health insurance scheme is due to be finalized in 2017. Unfortunately, there has been little progress in the development of new mental health policies and services, with only the Cayman Islands reporting the finalization of a mental health policy and the construction of an adult mental health facility.

17. In addition, little information has been reported on the further development of palliative care services, and the little information that does exist appears insufficient. Nevertheless, Trinidad and Tobago opened the first publicly funded palliative care facility in 2014, although it is still undersupplied. No palliative care services are available at all in Grenada, which is just one example of the global shortage of palliative care services and supplies. In Latin America, the Ministry of Health of Chile designed the national health strategy for the 2011–2020 period, aimed at improving health throughout the life cycle. In Colombia, the statutory law adopted in 2015 on the right to health in accordance with the principle of equality specifies that the State must adopt public policies for the improvement of the health of low-income people, vulnerable groups and those subject to special protection, which includes older persons. Mental health care has seen some progress, with Costa Rica adopting a national plan for Alzheimer's disease and related dementias for the period 2014–2024, along with other developments in Chile, Cuba and Peru.

18. In the ECE region, the active ageing concept that member States endorsed at their second review and appraisal regional meeting in 2012 saw several countries, such as Ireland, Italy, Latvia, Lithuania, Norway, Portugal, Slovenia and Spain, developing comprehensive national strategies to foster active ageing and enhance the well-being of older persons. Greece started a national pilot project on prevention and health promotion for older individuals. In 2015, the focus was on diabetes, and in 2016 on osteoporosis.

19. The World Health Organization Regional Office for Europe, in *The European Mental Health Action Plan 2013–2020*, noted an increasing prevalence of dementia in ageing populations, typically 5 per cent in people over 65 and 20 per cent in those over 80. One in five countries has developed national strategies and action plans to address the specific challenges related to dementia, including Austria, Denmark, Israel, Ireland, Italy, Norway, Portugal and Slovenia. Germany set up a national alliance for people with dementia. Cyprus launched an educational programme in

2014 that targets families and caregivers of people with cognitive disorders. Canada initiated Dementia Friends Canada in 2015, in collaboration with the Alzheimer Society of Canada. In Portugal, a new pilot project in 2014 surveys the population with dementia to ensure prevention and early diagnosis and to provide patients with a better quality of life.

20. Ukraine is working on developing a palliative care strategy focusing on palliative care at home and local social service provision. Israel launched a national programme for people in end-of-life situations and for palliative care in June 2016. Canada has invested significantly in the past eight years in palliative care research, with funding committed by the Government since 2013 to support training for front-line health-care providers. Austria has pooled federal, regional and local budgets to fund hospice care; a hospice and palliative care forum was set up in 2015 to implement measures to ensure dignity at the end of life. Further steps have been taken to facilitate mobile hospice and palliative care, with funding since 2013 and an increase in the number of mobile teams.

21. In the ESCAP region, progress was also seen on the enhancement of health-care services to address lifelong access to care and healthy ageing. Turkey adopted a universal action plan and implementation programme on healthy ageing for the period 2015–2020, which includes improved quality and access to services, while Sri Lanka adopted a national policy on elderly health in 2014. Further developments were noted, with a national health-care programme for senior citizens in the Philippines adopted in 2012, a decision by Viet Nam on the improvement of health care for older persons for the 2017–2025 period and the twelfth five-year plan in China for medical and health services, the Healthy China 2030 plan and a national fitness programme for the 2016–2020 period.

22. Nevertheless, although two thirds of ESCAP survey respondents reported the provision of free or subsidized health care to older persons, out-of-pocket expenses are significant, even in countries where older persons are legally entitled to free services. Efforts have been made, however, to expand the coverage of health insurance, for instance in Kyrgyzstan in 2012 and Armenia in 2015. Singapore enhanced its basic health insurance in 2015 and its severe disability insurance for older persons in 2016. The Republic of Korea reduced the age of eligibility for national health insurance from 75 in 2012 to 70 in 2015 and 65 in 2016. Further, in China, the law on the protection of the rights and interests of older persons was revised in 2015 to give priority health care access to those with financial difficulties and those without family support.

23. At the same time, less than half of survey respondents reported the existence of mental health services for older persons. If any did exist, they were administered through a universal mental health programme, without specific services for older persons. Efforts are under way in China, through the national mental health working plan for the 2015–2020 period, with a specific provision for older persons. Also, Singapore has a community mental health master plan which includes dementia, and Thailand has had a project to improve the system for mental health promotion and mental health problem prevention among older persons since 2016. Australia instituted a dementia training programme in 2016, with accredited education for care personnel in dementia care.

24. In the ESCWA region since 2012, countries with rapidly ageing populations have progressed with health-related policies and programmes, particularly with regard to preventing and treating non-communicable diseases. Such policies and programmes have been far less apparent in ESCWA countries whose populations have been ageing slowly or moderately. Overall, countries experiencing a rapid or moderate pace of ageing appear to have absorbed policies and programmes for older

persons into existing health-related initiatives such as non-communicable disease screening, smoking cessation and free medication for older persons, more so than those countries experiencing a slow pace of ageing. Also, programmes targeting the health of older persons within primary care centres appear to be widespread across ESCWA countries. Meanwhile, ensuring universal health coverage remains a concern and was noted by several countries as the most pressing issue for the well-being of older people. This has been achieved in Jordan, Kuwait, Oman and Tunisia, and is under way in Lebanon. Kuwait issued a national health strategy in 2016, but it has yet to develop a national plan of action.

Nevertheless, the mental health of older persons is also often underrepresented in policies and programmes, although new initiatives have been reported in countries with rapidly ageing populations, such as Lebanon, where the Ministry of Public Health has recently launched a mental health programme, and Morocco, where the latest national strategy for older persons prioritizes mental health as part of the health and well-being of older persons. Six countries also reported recognition of geriatrics as a specialty on its own, namely, Kuwait, Lebanon, Morocco, Oman, the Sudan and Tunisia, but there continue to be vast variations in the number of geriatricians across countries.

It can be argued that ensuring the well-being and social inclusion of older persons through the provision of care services, either informal or formal, while not mentioned specifically in the 2030 Agenda for Sustainable Development or its goals, falls under providing social protection and ensuring health and well-being. Nevertheless, the fact that most informal caregivers, formal care workers and care receivers are women is also important to the achievement of Goal 5, on the achievement of gender equality and the empowerment of women and girls.

In the ECE region, many countries, for example, Austria, Germany, Estonia, the Netherlands, Romania and the Russian Federation, have increased their investment in the provision and quality of long-term care services to meet growing needs. Estonia increased the funding for nursing care services by approximately 40 per cent between 2012 and 2015. The Long-term Care Act 2015 in the Netherlands covers people in the most vulnerable categories, such as those requiring permanent supervision or 24-hour care. New legislation in Germany comprehensively restructured social long-term care insurance and improved benefits by a total of €5 billion per year, with financing through increased contributory payments to the long-term care insurance scheme. The Government of Sweden earmarked over €100 million in 2015 and a further €200 million in 2016 to increase staffing levels, with the aim of raising the quality of care for older people.

To make the administration and delivery of home-care services more efficient and better coordinated, there have been increasing efforts to integrate social and nursing care services. In Lithuania, the Integral Assistance Development Programme was launched in 2013 to enable people to receive assistance at home and to help family carers to remain in the labour market. Financed through the European Social Fund, the programme provides nursing and social services for people with disabilities and older people needing care, as well as advice to their family caregivers, and was extended with a new action plan for the 2016–2019 period.

29. In the ECLAC region, Chile has made progress in the design and implementation of a new subsystem for the social protection scheme "Chile cuida" to support caregivers and care receivers, in both informal and formal settings. Further, Chile has also since 2015 made advances in the development of training programmes and certification for caregivers, as well as the development of

protocols for long-term care residences to set minimum standards of care and promote human rights, which are being expanded to all care residences.

30. Uruguay set up a national comprehensive care system in 2015, which provides tele-assistance services as part of home-based care, day centres and long-term care services. In 2017, four new long-term care centres and four day centres have been built. At the same time, Latin American member States saw progress in the regulation of care providers and centres. For instance, Peru approved the regulation of care centres for older persons, covering three types of care centres: residential, day and night centres.

31. In the ESCAP region, many member States are also now focused on improving the quality of long-term care and moving from what is the norm in many countries, of total reliance on family with no State intervention, to the introduction of new models of care. For example, Myanmar launched community-based care programmes in 16 villages and the Government of Thailand has developed a comprehensive community care services programme. Nevertheless, most countries in the region reported that any care costs were borne by families or included in formal insurance coverage. Japan, for example, amended its insurance plan in 2012 to introduce an integrated community care system in which older persons move between different facilities to receive the most appropriate care.

32. In the ESCWA region, some development has been observed in the introduction of home-care programmes in Morocco and Tunisia, which are provided through mobile care units that deliver health-care services to disabled dependent older persons. Other age-friendly health-care programmes, home-care programmes and old-age home health programmes were also reported by countries with moderately ageing populations such as Jordan and Oman. In general, however, the care sector remains underdeveloped.

33. In the ECLAC region, the Caribbean countries tend to have uncoordinated systems of care for older persons. Many of the countries in the subregion rely heavily on non-governmental organizations to either run or assist in running care programmes, as well as those long-term care homes which exist. ECLAC notes that in general there is limited oversight by Governments. Nevertheless, Trinidad and Tobago is in the process of adopting legislation on homes for older persons, and Sint Maarten is drafting a social care policy for home care. Home-care services and day centres exist in Bermuda; a personal home care benefit was introduced in 2015 and a long-term care action plan was adopted in 2017 to further address care needs within a year and to set out a strategy which will also increase private sector involvement.

C. Taking urgent action to combat climate change and its impacts

34. The effects of climate change have become more widespread since the adoption of the Madrid Plan of Action in 2002, in which they were addressed in priority direction I, issue 8, on emergency situations, which also encompasses the situation of older refugees, and are now reflected in Goal 13 of the Sustainable Development Agenda: "Take urgent action to combat climate change and its impacts".

35. ECA has noted that the inclusion of older persons in emergency preparedness within the region is strikingly limited. While some countries have national emergency preparedness plans, few include the needs and challenges of older persons. Most countries cite the limited capacity of relief workers to provide care for older persons in emergency situations. In 2012, and in response to the severe drought in West Africa, HelpAge International undertook a data review and

humanitarian analysis on ageing in Chad and Mali to highlight the situation of older people in the country, support the humanitarian community to understand what data gaps exist and need to be filled and support the inclusion of older people in the planning and implementation of responses.

36. In the past few years, some ECE member States have introduced additional measures to ensure that the specific needs of older persons are taken into account by local authorities and service providers as they prepare for and respond to disasters. From 2014 to 2016, Red Cross organizations in Austria, Bulgaria, Croatia, Latvia and the United Kingdom of Great Britain and Northern Island participated in a European Union project entitled "PrepAGE", on enhancing disaster management preparedness for the older population in the European Union, to introduce specific recommendations for older people in emergency and disaster preparedness and prevention programmes. Other ECE countries have undertaken measures that focus on enhancing emergency preparedness by older persons. In Canada, a "Get prepared" campaign was launched, with a focus on helping those with special needs, including older people. In 2015, the Fire and Rescue Service of Czechia implemented training activities for the leadership of local municipalities and older persons to increase awareness of how to protect themselves in risk and emergency situations.

37. The ECLAC region has emphasized the importance of caring for older people in disaster situations. The subregion of the Caribbean is particularly affected by disasters, which could have a disproportionate effect on older persons. In the Dominican Republic, the National Emergency Commission established a gender- and age-sensitive protection advisory team to develop a protocol to care for older persons in emergency situations and disasters. Anguilla established at-risk registers of older persons who may require assistance, and in Barbados the Vulnerable Persons Committee oversees the needs of vulnerable persons, including older persons, during and after disasters. In Trinidad and Tobago, a provision in the emergency procedures section of the Homes for Older Persons legislation was proposed for proclamation in 2017, mandating biannual evacuation drills. The Cayman Islands has a national hurricane plan that identifies older persons as a priority for shelter. In Colombia, the National Disaster Risk Management System and its National Plan for Disaster Risk Management 2015–2025 have a unit focused on building resilience among older persons.

38. In Asia and the Pacific, some countries have undertaken efforts to include older persons in disaster preparedness and responses; however these efforts are not systematic and remain ad hoc. According to ESCAP, approximately half of the countries in the review cycle reported undertaking some provision to include the specific needs of older persons in humanitarian and disaster relief. Since 2012, four such policies have been developed: the National Disaster Management Policy in Sri Lanka, the National Disaster Management Policy in Bangladesh, the National Disaster Risk Reduction Policy in Nepal and the National Social Protection Strategic Plan in Myanmar, all of which contain specific provisions on vulnerable populations, including older persons.

39. Despite increasing war and conflict in the Western Asia region, the distinct needs of older people in emergencies, as well as their capacity to contribute, have been largely overlooked by disaster risk reduction programmes and humanitarian assistance. A 2013 survey revealed that only 5 per cent of humanitarian assistance projects in the Syrian Arab Republic explicitly addressed older persons as a vulnerable group.[17] Aside from implementing training on providing first aid to older persons in Egypt, Iraq, Jordan, Lebanon, Morocco and the Sudan, national policies

[17] "Age & Disability Monitor" (HelpAge International, April 2014).

and programmes on emergency services in the region do not target older persons. In 2013, the Centre for Studies on Ageing in Lebanon convened a national symposium on older persons in emergencies, aimed at drawing the attention of relief actors to the needs, as well as the opportunities related to, older refugees. This is of particular relevance given the current situation in the country. ESCWA notes that only the Sudan reported on programmes and services directed towards specifically providing for the nutritional and medical needs of older refugees.

D. Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

40. The Madrid Plan of Action, like Sustainable Development Goal 8, also recognized the importance of work and the ageing labour force, in priority direction 1, issue 2.

41. The policy importance of employment and decent work for older persons continues to vary considerably by region, and is generally based on the degree of population ageing and the availability, level and coverage of pension systems. Furthermore, in most developing countries, informal sector employment still dominates for all age groups, and policies to expand employment opportunities and decent work tend to focus on younger age groups, particularly in countries with a young population structure. Yet, in the absence of wide coverage of social protection systems, employment continues to be an important source of income for older persons in many developing countries.

42. For example, in the ESCWA region, labour participation and retirement policies for older persons continue to be contingent on national social and economic resources and need. In most countries, employment in old age is an economic necessity, whereas in wealthier countries in which Governments strongly support the social and economic security of older persons, some older persons opt to work to remain active. In the public sector, however, some national policies, such as those in Palestine, even encourage early retirement owing to concerns over the size of the public sector and public spending. Iraq amended its legislation in 2014 to allow women with at least three children below the age of 15 to retire early if they have been active in the labour market for 15 years or more. Overall, labour participation and retirement policies for older persons in the region have changed little over the past five years.

43. Older persons across the Asia-Pacific region are subject to mandatory retirement ages, except in Australia, New Zealand and Macao, China. In several countries, the statutory retirement age is 55, and in many there are lower statutory retirement ages for women than for men. Some States, however, including Armenia, Indonesia, Malaysia and Singapore, have recently increased their retirement ages to better utilize the skills and capacities of older persons, enable higher retirement benefit levels and strengthen the sustainability of pension funds. The Russian Federation will also increase its retirement age for both men and women from 60 and 55, respectively, by six months annually until 2032. Although many older persons in the region work in the informal sector, owing in part to mandatory retirement ages in the formal sector and economic necessity, reliable data on older workers in the informal sector continue to be largely lacking, to the detriment of policies and programmes. In South-East Asia, specific measures are being taken to foster employment opportunities for older persons. In Singapore, the Retirement and Re-employment Act was revised in 2012, making it compulsory for employers to offer re-employment to eligible employees after the retirement age of 62, until the age of 65. In the same year, the Government of Viet Nam adopted its Labour Code,

which facilitates part-time and flexible work arrangements for older persons. The Government of Fiji amended that country's National Employment Centre Decree in 2016 to enable skills training and job search support for the unemployed, including retired persons with certain skills. Similarly, Macao, China, introduced employment services and vocational training measures, including for older workers in the informal sector, for the 2016–2025 period.

44. Since data disaggregated by age and sex on older workers are generally lacking in the African region and most work is in the informal sector, it is hard to get a full picture of the employment situation of older persons, although some countries do have data on the formal sector. Despite data gaps, Governments reported having policies and programmes in place to tackle age discrimination in the labour market, to protect older workers and to otherwise promote decent work for older persons. Some Governments are also raising retirement ages. For instance, in 2012 Côte d'Ivoire raised its retirement age, and in 2014 Zambia raised its retirement age from 55 to 65, although it provides the option of retiring at 55 (see E/CN.5/2017/6, para. 22). Nevertheless, most employment initiatives are focused on youth.

45. In the Latin America and Caribbean region, older persons continue to be economically active. Labour participation rates vary, however, with women participating less on average than men and continuing to be adversely affected by income disparities. Some Governments are increasing the retirement age, with Dominica currently raising its retirement age from 60 to 65 gradually through 2021 and introducing provisions to permit older persons to access their pensions earlier at a reduced rate. While the Caribbean subregion has made progress in fostering and respecting the rights of older persons to decent work and income-generating activities, most countries have not implemented specific measures to promote the re-entry or participation of older workers in the labour force or to enable their access to credit. Nevertheless, the revamping in Trinidad and Tobago of the Senior Citizens Bureau is under way to enable it to serve as a skills bank for older persons.

46. Among the four priority goals set by ECE member States at the 2012 Ministerial Conference on Ageing in Vienna were encouraging longer working lives and maintaining the ability to work. Governments reported that reforms aimed at making labour markets responsive to the consequences of population ageing constituted the third most important area of policy attention. Their efforts to extend working life to reflect longevity are significantly driven by the need to ensure the long-term financial sustainability of pension systems.

47. Governments in the region have launched and sustained programmes to provide employment services designed specifically for older job seekers, as well as incentives for employers to hire older persons, while also enabling financial benefits and flexible working arrangements for older workers and providing disincentives to early retirement. For instance, a project initiated by the Lithuanian Labour Exchange in 2015 enables unemployed people over the age of 55 to obtain and improve qualifications and skills to facilitate re-entry into the labour market. With the aim of creating 15,000 full-time jobs for long-term unemployed persons over the age of 50, a 2016–2017 programme of the Government of Greece provided up to half of monthly wages and non-wage costs, up to €500 monthly, for a period of up to nine months. Other efforts have been directed at tackling ageism in the labour market. A 2017–2018 campaign in the Netherlands, supported by a newly appointed ambassador for unemployed persons over the age of 50, was designed to highlight the positive attributes of older workers.

E. Promoting peaceful and inclusive societies for sustainable development, and achieving gender equality and empowering all women and girls

48. The Madrid Plan of Action, under priority direction III, issue 3, focused on the issue of neglect, abuse and violence and the vulnerability of older women, which is also addressed by the 2030 Agenda for Sustainable Development in Goals 5 and 16.

49. Member States of ECLAC identified the prevention and punishment of violence against older persons at the national level as an area of work that had been promoted or strengthened. Some recent measures provide social and legal assistance, as well as legal frameworks specific to elder abuse. For example, an article added to the 2014 penal code of Ecuador provides prison terms for the abandonment of older persons. The National Service for Older Persons of Chile launched a programme against elder abuse nationwide in 2012, focused on prevention, counselling and the provision of legal assistance. In the Caribbean, the second of two conferences on the abuse of older persons was held in 2013 in Guadeloupe, where Governments engaged in discussions and comparisons of strategies.[12] There is little legislation specifically on elder abuse in the subregion, which is usually addressed in broader laws on assault, domestic violence or theft. Yet, the issue of abuse is increasingly being recognized, with financial abuse most commonly cited. The Dominican Republic amended its penal code in 2014 to impose a penalty for the abandonment or neglect of older persons,[13] adding to the existing specialized unit to prevent violence against older persons.

50. Issues of violence, abuse and neglect of older persons in the ESCWA region continue to receive inadequate research and policy attention. Where data exist, they show that this is a potential area of concern, exacerbated by the increased risk of vulnerability owing to conflicts and other emergency situations in the region. Cases remain largely hidden within families, and deficiencies in legal action deter reporting by victims and further cloud the scope of the problem. Among the countries reviewed in 2017, none had measures to identify cases of abuse or neglect committed against older persons. Countries rely instead on self-reporting, or reporting by non-governmental organizations or media outlets, or on measures targeted at women and families, such as free hotlines or dedicated protection programmes. In most countries these are embedded in family protection and personal status laws.

51. ECE observed that discrimination, violence, abuse and neglect of older persons continue to pose significant challenges to the region, with Governments implementing multisectoral measures to address them. In 2014, Sweden adopted a national strategy on violence towards older people in care and medical care to improve prevention and identification of violence and responses to it. Also in 2014, Ireland introduced a national policy and procedures on safeguarding vulnerable persons at risk of abuse, laying out procedures to be followed by health services when such cases are suspected. In 2013, the Ministry of Health of Romania created a joint task force with police to improve inspections in residential health-care

[12] Frances Jones, *Ageing in the Caribbean and the Human Rights of Older Persons: Twin Imperatives for Action*, ECLAC Studies and Perspectives Series — the Caribbean, No. 45 (Santiago, ECLAC Sub-regional Headquarters for the Caribbean, January 2016). Available from http://repositorio.cepal.org/bitstream/handle/11362/39854/1/S1501220_en.pdf.

[13] Response of 27 December 2016 by the Government of the Dominican Republic to the ECLAC questionnaire on national reports on the review and evaluation of the implementation of the San José Charter on the Rights of Older Persons in Latin America and the Caribbean.

facilities, resulting in over 1,000 inspections and the identification of 174 penal crimes in the span of one year.

52. To increase and sustain awareness of and sensitization to elder abuse, the Netherlands extended its "Older people in safe hands" action plan from 2011 through 2017, which led to increased reporting and the development of local policies and enhanced multisectoral collaboration. The National Commission for the Promotion of Equality of Malta developed a guide on prevention and intervention for professionals who work with older persons. In the United States of America, the Elder Justice AmeriCorps programme was initiated in 2016 to provide legal assistance and support and to build pro bono capacity in the field. The United States also launched the National Adult Maltreatment Reporting System in the same year to produce the first national data on elder abuse to enable monitoring and evaluation and the design of new measures. Some countries are further revising legislation to deter and respond to cases of abuse. For instance, Canada amended its criminal code so that the age of older victims is considered as an aggravating factor in criminal sentencing.

53. In the ESCAP region, 41 per cent of respondents to the regional review currently have targeted legislation that addresses the vulnerabilities and protection needs of older persons. The Government of Australia announced an inquiry by the Australian Law Reform Commission on protecting the rights of older Australians from abuse; the Commission issued its report in 2017. Limited data are available in the region on the extent of violence, abuse and neglect of older persons. Even where data are available, cases are likely underreported and more reliable data is needed to monitor and to inform policies. In the Philippines, a two-year pilot project of the Department of Social Welfare and Development, to be completed in 2018, is aimed at developing a system of mechanisms, procedures and protocols to report, document, investigate and monitor elder abuse cases and provide follow-up services to victims.[14]

IV. Future regional policy focus

54. The report of ECA recommends that African Governments work towards prioritizing ageing issues in national planning but stresses that this needs to be accompanied by financial resources. For instance, the report notes that several member States have no budget allocation for implementing policies. Nevertheless, the lack of data and research in the region also means that policymakers do not see the import of the issues. In the light of the adoption of the Sustainable Development Goals and calls for age-disaggregated data, it is hoped that the latter situation may improve. Additionally, policies are still skewed towards women and children rather than having a more age-inclusive approach, which continues to limit progress in, for example, training health-care personnel in geriatrics to provide age-sensitive care.

55. ESCAP again notes that, while there are many national policies and legislation in nearly all member States, their scope varies widely. Additionally, implementation action plans and monitoring are often lacking. Going forward, some of the key policy areas noted are the expansion of and improvement in the level of social protection benefits, and in particular gender inequality and gender gaps that lead to higher poverty rates among older women. Equally, access to decent work for older persons will become a priority in more of the member States with rapidly ageing populations, where more focus on combating age discrimination initiatives is

[14] Input from the Philippines' Department of Social Welfare and Development to the eighth working session of the General Assembly Open-ended Working Group on Ageing, available from https://social.un.org/ageing-working-group/documents/eighth/Inputs%20Member%20States/Philippines.pdf.

needed. Likewise, access to universal free health care and elimination of user fees for health services for older persons will be essential, along with expanding geriatric facilities and addressing the large gaps in qualified care availability with new models and approaches to enhance and support family roles and capacities.

56. ESCWA notes that addressing population ageing in all member States of the region must become a priority to achieve the Sustainable Development Goals. The key to this is a robust implementation and monitoring mechanism for all policy initiatives on ageing to address the disconnect between policy development and implementation. ESCWA members need to further work towards ageing-specific policies and plans of action on ageing and development and use existing national policies on, for example, poverty, literacy, women, and empowerment, as a springboard to mainstream ageing-related policies and programmes into development. ESCWA also calls for robust regional research and data collection to form the basis of evidence-based policy development. It further advises that, owing to the high level of involvement in the region of civil society organizations in the health and welfare of older persons, better coordination with Government actors and future inclusion of the private sector, which is currently absent, should be a priority.

57. ECE notes that the region will continue to focus on the adaptation of labour markets and the extension of working lives, maintaining social protection systems and health and care systems based on the implications of population ageing, financial sustainability and gender impacts, to meet increased demand. This necessitates continued efforts in combating ageism, supporting lifelong learning, facilitating independent living and ensuring healthy ageing. In some member States, more efforts are still needed to address higher poverty rates among older persons. Attention to discrimination, violence and abuse, as well as to the growing prevalence of dementia, continues to require more research and policy attention. ECE member States are still very committed to the concept of "active ageing" as endorsed by the Vienna Conference in 2012. Further policy development to support this concept will continue to "realize the potential of longevity".[15]

58. The Caribbean member States of ECLAC have made progress on the implementation of policies and programmes in support of older persons. Going forward, ECLAC notes that further work is required in the subregion on addressing the wide spectrum of rights for older persons, including strengthening national mechanisms and frameworks for protecting human rights more generally. There are information and policy gaps covering issues such as free and informed consent for medical treatment, legal capacity, access to justice and rights to culture. More data and information are also needed on specific groups of older persons, such as women; migrants; lesbian, gay, bisexual, transgender and intersex persons; and ethnic and religious minorities, to better inform policy. The subregional Caribbean office also notes the opportunity for member States to review existing policies in conjunction with the implementation of the 2030 Agenda and its Goals, as well as other relevant international and regional instruments addressing the situation of older persons, such as the Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway, and the Sendai Framework for Disaster Risk Reduction 2015–2030. ECLAC notes that there is still much work to be done on the issue of age discrimination and ageism to shift concepts of negativity about old age. Since care in the region is still predominately undertaken by the family, ECLAC notes that families need more support from Governments to uphold this role by enacting policies and programmes that treat care as something productive and worthwhile for society.

[15] Synthesis report on the implementation of the Madrid International Plan of Action on Ageing in the ECE region between 2012 and 2017 (September 2017). Available from www.unece.org/fileadmin/DAM/pau/age/Ministerial_Conference_Lisbon/Documents/Synthesis_report_MIPAA15.pdf.

V. Conclusions and recommendations

59. The third review and appraisal process has highlighted several common challenges across regions, from the various perspectives of demographic transition, cultural norms and level of economic development. For instance, the health and well-being of older persons and the improvement of related health and care services, as well as the expansion, improvement and sustainability of social protection systems and other income support measures, remain a priority in all regions.

60. Major constraints on the further implementation of the Madrid International Plan of Action on Ageing remain the same as those identified during the second review and appraisal in 2012 in some regions: lack of human and financial resources, lack of political will and lack of data for evidence-based policymaking and, hence, recognition of the need for policy action on ageing. A regional rights-based perspective on ageing is evident in the Latin American region and in the general policy approaches of other Member States, but overall, remains lacking.

61. In the report of the Secretary-General following the second review and appraisal, it was noted that the post-2015 agenda could provide Member States and the United Nations system with an opportunity to anchor the issue of ageing in the global development agenda (see E/CN.5/2013/6, para. 84). Indeed, as some Regional Commissions noted during the present review process, which followed the adoption of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, implementing the priority directions of the Madrid Plan of Action and the relevant regional implementation strategies will help achieve the Sustainable Development Goals and contribute to efforts to "leave no one behind". In this regard, the United Nations system has also begun to recognize the importance of addressing population ageing and the health and well-being of older persons in its work to support the attainment of the Goals, as evidenced by the establishment of an informal inter-agency group on ageing in 2017.

62. The Commission may wish to consider the analysis of regional perspectives on the implementation of the Madrid Plan of Action contained in the present report, and to make the following recommendations:

(a) Invite Member States and the Regional Commissions to use and strengthen the further implementation of the Madrid International Plan of Action on Ageing as a modality for the inclusion of older persons in the implementation and attainment of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals;

(b) Invite Member States to consider the successes and good practices, shortcomings and future priorities identified in their national and regional levels of review and appraisal in furthering implementation of the Madrid Plan of Action;

(c) Request the Regional Commissions to continue to facilitate, including through their intergovernmental bodies, the further implementation of the Madrid Plan of Action based on the priorities identified in their respective outcomes of the regional review and appraisal exercise.

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Emerging issues: towards sustainable and resilient societies: innovation and interconnectivity for social development

Note by the Secretariat***

Summary

Pursuant to Economic and Social Council resolution 2006/18, the programme of work of the Commission for Social Development has included the item "Emerging issues" since its 2007–2008 review and policy cycle. Under this agenda item, the Commission addresses current issues affecting social development that require urgent consideration or new cross-cutting issues in the context of evolving global development challenges. At its fifty-sixth session, under this item, the Commission will consider the question "Towards sustainable and resilient societies: innovation and interconnectivity for social development". The present note has been prepared to provide background information for the discussion of the topic.

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I. Introduction

1. The present note explores the role and impact of innovation and interconnectivity on social progress and development. It identifies emerging trends in innovation and interconnectivity and highlights the opportunities and challenges that those trends present in pursuing the objectives of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals and in realizing the commitment of the Agenda to leave no one behind (see A/72/257). It also explores the role of social policy in ensuring that innovation, interconnectivity and inclusion interact effectively and that current and future technological advances serve to create inclusive and resilient societies.

II. Trends in innovation

A. Fourth industrial revolution

2. Historically, innovation and increased interconnectivity have played an important role in triggering social, economic and cultural transformations, especially at a global scale. Innovations in the use and development of broad categories of energy and technology, such as steam, electricity and information and communications technology (ICT), have heralded new forms of cultural, institutional and societal structures that are driving and being driven by shifts in production and consumption. In the first industrial revolution, in the late eighteenth century, water and steam power were used to mechanize production. In the second, in the early twentieth century, electric power was used to create mass production. In the mid-twentieth century, in the third industrial revolution, the digital revolution, electronics and information technology were used to automate production and digitize information. The world appears to be in the early stages of a fourth industrial revolution,[1] in which the lines between humanity and technology are being blurred through the use of ICT hardware, software, ancillary equipment and supporting services and the introduction of technology into almost every aspect of everyday life. The direction and scope of this fourth revolution remain mostly uncertain.

3. As with previous industrial paradigm shifts, the direction and impact of the fourth revolution depend on the role of the State and, more broadly, on the social, economic and regulatory policies that shape its development. The policy frameworks chosen will either increase the number of people who benefit from the technological innovation driving this paradigm shift across society or widen existing societal inequalities.

4. In the fourth revolution, advances in computing, communication, automation and digitization are creating a convergence of the physical world, digital information and the biological world, within and across national boundaries. Some of the technological advances and related innovations driving this convergence include the Internet of things, cloud computing, artificial intelligence, robotics and automation, virtual reality and augmented reality, three-dimensional (3D) printing, big data, social media, wearable technology, smart electrical grids, digital and biological fabrication, unmanned vehicles, remote sensing and imaging and blockchain technologies.

[1] World Economic Forum (2016), *The fourth industrial revolution: what it means, how to respond*. Available from www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond.

Together, these innovations are not only changing production and consumption patterns, they are also changing the way that human beings interact with the natural and built environment and how they communicate and interact.

5. These technologies and innovations are becoming a part of daily life, influencing people's choices, decisions and opinions and making their lives more interconnected. For example, social media had 2.41 billion users worldwide in 2017, and that number is continuing to grow, connecting people and facilitating the sharing of information, ideas, advice and support. The Internet of things links everything, including physical objects and people, to the Internet, enabling such innovations as the synchronization of traffic and services and the monitoring of air pollution. Cloud computing enables shared pools of computer networks, servers, storage applications and services and has untethered the storage and sharing of digital information from user hardware. Smart electrical grids have improved the efficiency and effectiveness of power supply, while 3D printing and other additive manufacturing technologies have transformed manufacturing, creating ways for ordinary citizens to manufacture items ranging from vehicle parts to prosthetic limbs for small-scale or personal use. Unmanned vehicles, such as drones, can now be used for surveillance, agricultural spraying or the delivery of vital medical or other supplies to remote areas, in harsh conditions or in emergencies. Blockchain technologies, decentralized and distributed digital ledgers that are used to record transactions across many computers, enable secure and participatory decision-making, as a community of users can control how the information records are amended and updated.

B. Infrastructure, transportation and energy

6. The growing interplay between digital, natural and built environments, spurred by emerging technological advances, has led to ongoing transformations in the development and use of physical infrastructure, transportation and logistics, energy and other utilities. Networked communication and collaboration technologies that control or manage core network assets, such as roads, railways, ports and energy systems, are a powerful and often disruptive source of innovation and renewal. While this leads to greater interconnectivity and interactions between the people who can afford to invest in such technologies, it may also exacerbate the disadvantages of those who cannot.

7. The use of technology in traditional or "hard" infrastructure (for example, embedding sensors in bridges and roads) is already enabling utility systems, especially those for electricity and gas, to improve operations and increase flexibility across a range of areas, from energy generation to customer relationship management. For example, by conservative estimates, smart meters and smart grids, digital productivity tools for employees and the automation of back-office processes significantly boost productivity. New technologies are also changing existing patterns of mobility and interaction, including how people live and work, spend their leisure time and learn, creating new, cheaper and more effective options for connecting.

8. Technology innovation in the transport sector has led to major public investment in intelligent and integrated transport systems and logistics (for example, intelligent streets and digital railways), as well as smart and user-centred mobility services for cars and buses (for example, ride-hailing applications and car-sharing), highly efficient pricing and payment systems that substantially reduce overall costs, high levels of automation and improvements to safety and security.

9. These innovations in transport systems are driven by, and are driving, public and private partnerships. Specific transformative technologies include autonomous (self-driving) and connected vehicles, electric drivetrains and efficient multi-modal networks that integrate different transport modes within a specific region and ensure seamless interconnections with other areas. Also significant is the use of new lightweight, strong and environmentally friendly materials, with an emphasis on the recycling and reuse of local scrap material feedstocks, and production using additive manufacturing technologies, including 3D printing.

10. New sources of energy are transforming markets, industrial operations and society at large. The energy landscape is changing rapidly as new, more cost-effective technologies are developed, renewable energy sources are more widely available, gains are made in energy efficiency and small-scale distributed generation and storage systems become more prevalent. The roles of the various stakeholders are also shifting, with individual homeowners and communities able to generate power, including by installing rooftop solar panels and setting up community solar projects.

C. Food and agriculture

11. ICT and related innovations are transforming the food and agriculture sector through the empowerment of small-scale farmers, the reduction of food waste, the development of food traceability systems, the smart allocation of resources, progress in climate-resilient agriculture and the creation of resilient crops. New hydroponics and aquaponics techniques can be used to grow organic food with minimal use of water or other resources and without taking up valuable land, for example, in former factory buildings or underground. It was estimated that the global hydroponic farming industry was worth $21.4 billion in 2015, with its value projected to grow at 7 per cent per year.[1] The expanding global population (an extra 3 billion people are projected by 2050, with over 80 per cent living in urban centres)[2] and demand for more and better food with minimal environmental impact could prompt a rapid acceleration in the growth of the industry as much of the world's arable land is already being used.

D. Shifting approaches to innovation

12. Growing interconnectivity and access to information and production have led to transformations in the very nature of innovation. In recent decades, new notions of open innovation have emerged. In a departure from traditional top-down innovation for technology and business development, open innovation involves the systematic encouragement and exploration of a wide range of internal and external sources for innovative opportunities across all sectors.

13. One example of open innovation is the "bottom of the pyramid" approach, which focuses on understanding and realizing the potential of the 4 billion people who make up the world's poorest and largest population group. These individuals constitute huge and rapidly growing markets for goods and services and potential partners and innovators for new business models that benefit companies and communities globally and locally. This has generated reverse innovation, also known as "trickle-up" innovation, which originates in developing countries and spreads to the developed

[1] See https://bigpicturceducation.com/hydroponics-and-future-farming.
[2] United Nations (2014). *World urbanization prospects: 2014 revision*.

world. An example of this model is the mobile money application M-Pesa, which was originally developed in Kenya and is now being rolled out globally.

14. Another category of open innovation, frugal innovation, attempts to reduce to a minimum the cost and the complexity of products and production processes, often by using unconventional distribution channels, with the implicit purpose of making the benefits of those products available to everyone. Focusing on creativity in resource-poor contexts, frugal innovation aims to provide affordable access to high-quality goods and services. This creates livelihood opportunities for disadvantaged and marginalized populations, primarily those at the base of the pyramid, on a long-term sustainable basis through significant outreach.[6]

15. Social innovation aims to meet a social need, in collaboration with and through the empowerment of the beneficiary, harnessing societal opportunities, transforming social mechanisms and social relations, leading to social change. For instance, in 2013, the European Commission launched a social investment package, "Towards social investment for growth and cohesion",[7] to support the implementation of the Europe 2020 strategy. The package provides a policy framework for redirecting the policies of Member States, where needed, towards social investment throughout the life cycle, with a view to ensuring adequate, sustainable budgets for social policies and their effective use by the Government and the private sector.

16. In addition, the "quadruple helix" approach has emerged, based on the idea that innovation is the outcome of an interactive process involving different actors, each contributing through knowledge-sharing and transfer. Traditionally, these actors were universities, industry and Government, with the inclusion of civil society as an additional actor. Nature has been proposed as a fifth source of innovation to form a "quintuple helix",[8] incorporating ecological and environmental value. Successful innovations often incorporate natural systems in areas such as ecosystem development, the recycling and reuse of assets, the development of circular societies and economies and the development of learning systems through co-creation and the full utilization of human and natural assets.

III. Benefits and opportunities created by technological advances, innovation and growing interconnectivity

17. Recent waves of innovation and new technologies have brought numerous benefits and opportunities for the advancement of social progress. They have improved access to education, health care and other public goods and services, increased productivity and enhanced people's living standards and well-being. ICTs have linked individuals to global, regional and local knowledge resources and information, facilitated the exchange of ideas, experiences and innovative solutions and contributed to making societies more open, inclusive, participatory, prosperous and cohesive. Technological innovations have also facilitated the development of personalized medicine and education, the provision of support to vulnerable

[6] Mashelkar, R. A. (2014). Inclusive innovation. The Global Research Alliance. Available from www.theglobalresearchalliance.org/index.php/inclusive-innovation.

[7] See http://ec.europa.eu/social/main.jsp?langId=en&catId=1044&newsId=1807&furtherNews=yes.

[8] Carayannis, E. G., Barth, T. D. and Campbell, D. F. (2012). "The quintuple helix innovation model: global warming as a challenge and driver for innovation". Journal of Innovation and Entrepreneurship. Available from www.innovation-entrepreneurship.com/content/1/1/2.

populations, the prediction and management of shocks and disasters, greater social and political inclusion, improved sanitation, the issuing of proof of identity and reduced environmental toxicity through better monitoring.

18. Similarly, the recent development of infrastructure networks has connected regions, countries, cities, communities and people. This has enhanced productivity, boosted aggregate demand and expanded markets and facilitated the movement of people, the transfer of technology and the diffusion of knowledge. Physical, virtual and social integration have been promoted as a result. Such networks have also contributed to job creation and improvements in the quantity and quality of jobs, food security and nutrition, thus lifting millions of people out of poverty.

A. Cross-societal transformation

1. The knowledge society, knowledge distribution and knowledge transfer

19. The simultaneous growth of the Internet, mobile telephony and digital technologies have revolutionized the role of knowledge in societies, as they serve as powerful tools to create new knowledge and values, disseminate information and knowledge and connect people, organizations, sectors and places. Such technologies are driving the transformation from information societies, in which the amount and availability of information and the speed of its transmission have increased[4], to knowledge societies in which people have the capabilities not only to acquire information but also to transform it into knowledge and understanding.[5]

20. The transition to a knowledge society calls for enhanced capacity to co-produce and co-create new information and knowledge. Not only is a broad range of sources of information and knowledge required, but also diversity in the way that people think and learn, adapt and transform.[6] Indigenous and local knowledge systems that have been empirically tested, applied and validated by indigenous peoples and local communities over years can close knowledge and technology gaps. If revitalized through appropriate technologies, they can also provide solutions to societal problems and promote innovation.

2. Enhancing productivity and the creation of jobs in new areas

21. Technological advances and innovation continue to drive increased productivity, job creation and economic growth.[7] While estimates of the percentage of jobs at risk of being automated vary widely, depending considerably on the methodology used, it is predicted that between 10 per cent and more than 80 per cent of all jobs worldwide will be lost to robots in the coming years.[8] However, new jobs will also be created. It is predicted that 65 per cent of children entering primary school today will ultimately work in completely new job types that do not yet exist. For example, about 2 million jobs will be created in fields relating to computing, mathematics,

[4] See United Nations Educational, Scientific and Cultural Organization (2005), *UNESCO World Report: Towards knowledge societies*.

[5] Scientific Advisory Board of the Secretary-General of the United Nations (2016), "Indigenous and Local Knowledge(s) and Sciences for Sustainable Development". Available from http://unesdoc.unesco.org/images/0024/002461/246161E.pdf.

[6] For further information, see United Nations, *Frontier issues: artificial intelligence and development*. Available from www.un.org/development/desa/publications/video-frontier-issues-artificial-intelligence-and-development.

[7] Davenport T. and Kirby J. (2016), *Only humans need apply: winners and losers in the age of smart machines*. Harper Collins, London.

architecture and engineering. Furthermore, in the future, data analysts and specialized sales representatives will be needed in practically every industry owing to technical innovation and increasingly diversified customers and their preferences. Computers and robots may take over tasks, but rarely are they able to do all elements of a job. The changes are therefore expected to be more closely related to augmentation (computers and humans working collaboratively) than automation. For example, evidence shows that tasks are carried out more quickly and to a higher level of quality when people work with machines.[12] As artificial intelligence systems, robotics and cognitive tools are becoming more sophisticated, many institutions are re-examining or reinventing their job profiles, organization of work and future growth strategies by creating an enabling environment for an enhanced workforce.

22. It is also clear that, although machines are starting to outperform people in solving complex but highly specialized tasks using known rules, as in chess and the game of "go", people are much better at understanding and making decisions requiring knowledge across a range of tasks. People need to develop a hybrid skill set that integrates knowledge of advanced digital technology, digital business and creative innovation skills. More niche digital up-skilling is required, specific to various industries, such as education, health, law, banking and marketing. By absorbing the routine aspects of work, machines can release people for more creative work-related tasks or community-based activities better suited to humans. For example, Amazon increased its workforce from about 100,000 to 350,000 between 2014 and 2016, while simultaneously increasing its number of warehouse robots from 1,000 to 45,000.[13]

B. Sector-specific and context-specific applications

1. Urban development and smart cities

23. Technologies have led to the creation of "smart cities", which use ICT to provide, interconnect and improve the efficiency and effectiveness of basic urban infrastructure and human settlements. "Smart citizens" are empowered to pursue innovative solutions and social innovations to improve their living conditions and social interactions and enhance social cohesion. One example is Fab Cities, a global project to develop locally productive and globally connected and self-sufficient cities.[14] This new urban model seeks to transform and shape cities, shifting how they source and use materials, from a "Products in trash out" model to a "Data in data out" approach (a city's imports and exports in the form of data, including information, knowledge, design and code), thus enabling more production and recycling within the city and meeting local needs through local inventiveness so that citizens and cities are empowered to take ownership of their sustainable future.

24. Another driver of socioecological transition is green growth technologies. The European nature-based solutions programme for inclusive urban regeneration[15] recognizes nature as a part of viable solutions and uses its services in a smart,

[12] World Economic Forum (2018), *The future of jobs, employment, skills and workforce strategy for the fourth industrial revolution*. Geneva, Switzerland.

[13] McAfee A. and Brynjolfsson E. (2017), *Machine platform crowd: harnessing our digital future*, W. W. Norton & Company, New York.

[14] Kaplin T. (2017), *What's the future and why it's up to us*, HarperCollins Publishers.

[15] Further information available from http://fab.city/about.

[16] See http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/sc5-02-2016-2017.html.

engineered way. For example, using concrete and other construction materials that can "breathe" and "self-heal" prolongs the life of buildings and reduces their environmental impact. Similarly, roads and pavements can report traffic and pedestrian flows, while also generating electricity from those flows. Nature-based solutions, by reshaping the built environment, can enhance the physical and ecological environment, while ensuring greater resilience to natural disasters and conserving resources. Those solutions also improve the social well-being of citizens by creating more inclusive and engaged communities.[16] They also promoted improved mental and physical health and quality of life for citizens, reduce urban violence and decrease social tensions through better social cohesion, particularly for the most vulnerable groups, such as children, older persons and people living in poverty.

2. Public sector

25. ICT has had a dramatic impact on public services and their delivery via websites and online portals, mobile and smart phones, social media and kiosks located in public spaces. Such service delivery is more cost-effective than traditional modes, gives users greater access, convenience, availability, and time and cost savings and allows for the provision of completely new types of services.[17] ICT can also complement existing public service delivery methods. Especially in developing countries and in rural and remote areas, where non-digital service delivery channels remain important, adding a digital channel or using satellite broadcasting and multi-channel learning services through mobile Internet centres, for example, can significantly improve access to existing services and provide locally relevant content in local languages.

26. ICT solutions can handle and analyse large amounts of data using standardized, routine and rules-based processes and streamline administrative transactions, thereby reducing overall transaction costs and increasing process efficiency. Staff and resources can thus be redeployed away from routine transactions to analytical functions and face-to-face engagement with users. Finally, ICT has emerged as a key tool for capacity-building by providing learning and training opportunities for public servants. Furthermore, the potential of artificial intelligence in areas such as policy integration, health, crime prevention and civil registration could be further explored. For example, India digitized its civil registration system, using biometric information to enrol residents.[18]

IV. Potential challenges to social development

A. Exacerbating inequalities

27. New technologies have lowered barriers for many people and continue to level the playing field. However, there is also a potential risk that technological developments might contribute to intensifying existing inequalities, as in the case of rising wage inequality in many countries. Moreover, gaps in access to new innovations and technology will create further inequalities between those who have

[16] See, for example, Pengcheng Xiang, Yiming Wang and Qing Deng (2017), *Inclusive nature-based solutions for urban regeneration in a natural disaster vulnerability context: a case study of Chongqing, China*. Chongqing University, China.

[17] Millard, J. (2015), *Open governance systems: doing more with more*. Government Information Quarterly. Available from http://doi.org/10.1016/j.giq.2015.08.003.

[18] Population and Development Review, vol. 43, issue 1 (2017), *Identify systems and civil registration in Asia*. Available from http://onlinelibrary.wiley.com/doi/10.1111/padr.12040/full.

access and those who do not, just as uneven access to infrastructure, including roads, ports and energy, creates pockets of poverty and poor communities. Already, substantial divides in Internet access persist between urban and rural areas and between men and women.

28. A digital divide has emerged among and within countries, with significant differences in access to various basic technologies.[16] Developing countries, particularly the least developed countries, lag significantly in fixed line telecommunications. While they are catching up in terms of mobile access, they remain far behind in mobile broadband access. They also lag significantly in household access to a computer and the Internet and individual access to the Internet. In addition, there is a significant correlation between national income per capita and the provision of services for vulnerable groups, highlighting a difference between countries in using ICT to support vulnerable groups. Disparities between urban and rural areas and between core economic centres and remote locations also exist in the availability of ICT infrastructure and access to ICT.

29. The digital divide goes beyond connectivity and capability. The inequalities in access to and use of ICT can further exacerbate existing inequalities in other dimensions, such as inequalities in income and in access to education, health services, productive assets, markets and decent jobs. It is therefore critical to close digital gaps, including through enhanced public investment in infrastructure and through innovative and comprehensive ICT-enabled public service delivery, especially in developing countries. Many valuable lessons can be drawn from how countries have used ICT, alongside more traditional delivery channels, to improve public service delivery.[17]

B. Work and the workplace

30. The nature of work, the workplace and the workforce are undergoing significant change, as technological advances in such areas as artificial intelligence, machine learning, robotics, nanotechnology, 3D printing, genetics, biotechnology and smart systems are increasingly interconnected, building on and amplifying one another. Recent research suggests that just as these new technologies bring immense opportunities, they could potentially disrupt labour markets and exacerbate income inequality, as robots and artificial intelligence may replace humans on a large scale, resulting in mass unemployment or underemployment in the near term.

31. In high-income countries, artificial intelligence and automation are also replacing middle-skilled work (simple, repetitive jobs, such as machine operators and office clerks); however, jobs that require complex cognitive skills remain a challenge for automation. This points to the need for workers to continuously improve the quality and relevance of their skills. To understand better the current and future skills mismatches in different country contexts, the International Labour Organization (ILO) launched the Global Product on Jobs and Skills Mismatch and convened an international conference on the subject in May 2017.

32. Artificial intelligence and robotics can threaten not only work itself but also the quality and remuneration of work. Rapid advances in artificial intelligence capabilities will enable the automation of some tasks that have long required human

[16] International Telecommunication Union (ITU) (2016). *Measuring the information society report*. Geneva, Switzerland.

[17] United Nations, E-Government survey, 2014 and 2016.

labour, potentially disrupting current livelihoods on a large scale. In the coming years, artificial intelligence will radically transform not only the future of work, but also the way in which economies function. Whether artificial intelligence leads to unemployment and increases in inequality over the long run depends not only on the technology itself but also on the institutions and policies that are in place. The issues related to artificial intelligence require a series of global dialogues with multiple and diverse stakeholders to understand the accelerating capabilities of artificial intelligence from all angles and their broad implications, both positive and negative, for societies.

33. Much of the promise of artificial intelligence remains to be realized, but the trends that are expected would have significant impacts on welfare, jobs and the organization of work. The more transactional a job is, the more likely that it will be automated, as automation is fundamentally the substitution of capital for labour. A "race to the bottom" may create a growing "precariat", an emerging global class with no financial security, job stability or prospects of career progression. Precarious work is much more prevalent among women and young people.[21] This situation, coupled with the fact that traditionally much of the work that women carry out is unpaid, for example in the home, highlights gender-based differences in employment that require a policy response.

34. The pace of change and how concentrated the losses are in specific occupations also affect the intensity of the challenge in the world of work. Even if new jobs are created quickly enough to replace those lost, the transition from one job to another still often entails loss of income for affected workers and an increase in structural unemployment. Furthermore, increased labour productivity by using artificial intelligence may not automatically translate into wage increases for workers, but increase the profits of companies, including stock values, which will further concentrate economic gains in the hands of a very few and leave many behind. These issues require urgent policy action as Governments must shoulder the social and fiscal costs of long-term unemployment and job insecurity.

C. Complex roles of technology

35. While advances in technology have created great opportunities across sectors, it is difficult for society and Governments to respond effectively to the rapid change. Typically, Governments and regulators react to changes, as the majority of technical innovation occurs in the private sector. This prompts the question of what technology companies are accountable for and to whom. For example, the deregulation of financial markets in the run-up to the financial crisis of 2007-2008, combined with instantaneous digital financial transactions that enabled the fast spread of the crisis globally, led to the global recession that the world economy is still struggling to overcome.

36. The rise of digital connectivity also raises increased cybersecurity concerns, for example with the hacking of critical infrastructure, such as electricity and transport networks, and the security, ownership and use of the massive amount of personal data that are created and shared.[22] While social media has had a positive impact on the

[21] McDowell, L. (2016). *Migrant women's voices: talking about life and work in the UK since 1945*. Bloomsbury Press, London.

[22] 2030Vision (2017). *Uniting to deliver technology for the global goals*. Available from https://2030vision.com/assets/pdf/ARM_2030VisionReport.pdf.

lives of many people, the misuse of social media, such as trolling and bullying online, has also had a negative impact.

37. The role of ICT in political participation is complex. Although "fake news" and "fact-free" discourse, including political discourse, are not new, enabled by ICT, their significance has grown. The democratic and mind-broadening potential of the web has also come under scrutiny, as more people access only material that they choose to follow. They increasingly ignore or are excluded from other content, leading to filter bubbles: search engines use sophisticated algorithms to adapt to users and present them only with content that matches their preferences.

38. While there are numerous examples where technical advances have been driven by social needs, such as the Linux free open-source operating system for computers and the M-Pesa mobile telephone money transfer application in Kenya, most technical advances are market-driven and aim to increase profits rather than serve the public good. Much new ICT is designed to extract market value from individuals and communities. The neutrality of technology is, therefore, not straightforward, and there is scope for policy to promote the greater public good.

V. Role of social policy

39. In a world that is increasingly interconnected and technologically enhanced, social policy has a critical role to play in harnessing advancements for social progress to ensure that all people, in particular vulnerable groups and communities, have equitable access to and benefit from technological advances, while addressing the negative impacts and mitigating potential risks that undermine people's livelihoods and well-being. Social policy should assist people in becoming better equipped to cope with societal changes and facilitate their active participation in creating a more inclusive, accessible, sustainable, resilient and innovative society for all.

40. By pursuing the right policy and institutional options, innovation and interconnectivity can be leveraged for social progress, making it possible to achieve, for example, a combination of higher wages and better leisure opportunities, enabled by artificial intelligence and robotics, for a wide range of workers. Analysis to support evidence-based policymaking will be an important step in this direction. ILO established a high-level Global Commission on the Future of Work,[23] which will undertake an in-depth examination of the future of work that can provide the analytical basis for social and economic policies that promote social justice in the twenty-first century. Some Governments have commissioned in-depth analyses on the consequences for employment of some technologies, in particular artificial intelligence.[24]

[23] See www.ilo.org/global/about-the-ilo/multimedia/video/institutional-videos/WCMS_570704/lang--en/index.htm.

[24] See Executive Office of the President (2016), *Artificial intelligence, automation, and the economy*, available from https://www.whitehouse.gov/sites/whitehouse.gov/files/images/EMBARGOED%20AI%20Economy%20Report.pdf, and Executive Office of the President, National Science and Technology Council Committee on Technology (2016), *Preparing for the future of artificial intelligence*, available from https://obamawhitehouse.archives.gov/sites/default/files/whitehouse_files/microsites/ostp/NSTC/preparing_for_the_future_of_ai.pdf.

A. Investment in infrastructure for equitable access

41. In today's world of rapid technological change, access to innovations and being connected have become important factors in ensuring equality of opportunity. Disparities among and within countries in access to traditional and physical infrastructures, as well as in interconnectivity, have contributed to inequalities in many dimensions. The digital divide reinforces poverty and inequality owing in part to a lack of investment in connectivity to expand access to innovations driven by ICT.

42. Investment in infrastructure for equitable access is therefore critical for reducing inequalities among and within countries. In this context, the mobilization of domestic resources and increasing external flows to low-income, especially the least developed countries, from both private and official sources, form an integral part of socioeconomic policies aimed at the implementation of the 2030 Agenda in all countries. With regard to international cooperation, the One Belt, One Road initiative of China, which addresses infrastructure development, has the potential to accelerate interconnectivity and more inclusive socioeconomic development in many countries.

B. Investment in education and lifelong learning

43. In the coming years, knowledge, especially tacit or experiential knowledge, creativity and interpersonal and cognitive skills will become increasingly crucial as the world moves towards knowledge societies. These skills are unique to humans and not easily replaced by machines or technologies. Investment in education for all, which has historically been proved an effective means to promote social mobility and reduce inequality, is even more important today.

44. Current education systems and curricula, however, do not address the wide skills gap that comes with rapid technological change. It is possible that the skills and competences acquired just a few years ago may become obsolete or instantly obtainable through the Internet or artificial intelligence. The current approach to education therefore needs to be re-examined and fundamentally transformed, so that people of all ages and backgrounds can acquire a mix of skills to cope with the rapid pace of technological and societal changes.

45. New types of education and training models providing updated and relevant content and methods of delivery facilitated by ICT, and focusing on science, technology, engineering and mathematics (STEM) education are needed. In addition to academic competencies, a wide range of skills are required to better respond to market demands. Such skills include digital literacy, interpersonal skills, communication, teamwork and critical thinking, as well as complex reasoning and creative thinking to filter, analyse and extract meaning from the vast amounts of information.[21] It is important for young people to gain solid ethics and values that place people at the centre of development. In addition, lifelong learning and adaptive skills retraining should be promoted for people of all ages, as the shelf life of employees' existing skill sets is ever shorter owing to technological changes across industries and regions. These new demands on education add to the urgent need for greater investment in the education sector.

[21] Rebecca Winthrop and Eileen McGivney (2016). *Skills for a changing world: advancing quality learning for vibrant societies*. Center for Universal Education at Brookings. Available from www.brookings.edu/wp-content/uploads/2016/05/Brookings_Skills-for-a-Changing-World_Advancing-Quality-Learning-for-Vibrant-Societies-3.pdf.

C. Social protection

46. With rapid technological advances in an increasing interconnected world, changes have been seen in the causes of job loss, the duration of periods of unemployment, the prevalence of underemployment and the use of non-standard contracts. The effects have been different on workers of varied skill levels, as well as on different population groups by gender, age, disability, income, social status and location of residence. Winners and losers are being created as unemployment and job insecurity increase.

47. Social protection systems have proven to be effective in mitigating risks and protecting people from falling into poverty. The need for social protection for all is ever greater given that advancements in technology, including ICT, automation, artificial intelligence and robotics are changing the world of work. However, the current societal transition is threatening the well-established social protection systems in many countries with advanced economies because of demographic change, job losses or job insecurities caused by automation and the changing nature of work, with an increase in more flexible jobs outside the standard employment contract model. Employers are moving away from traditional employment models and social protection contributions. In some cases, severely underfunded State social systems are at a breaking point.[26] Existing social protection systems should be modernized to safeguard those who are negatively affected, either temporarily or permanently, by rapid technological change. Countries that are currently building national social protection systems could take opportunities to avoid these pitfalls, including by promoting a life-cycle approach to streamline existing social welfare schemes and programmes that are fragmented or overlapping, while identifying innovative and sustainable sources of funding.

48. In connection with this rethinking of social protection and coupled with the concern that in the future artificial intelligence and robots may replace workers in certain functions, the concept of a universal basic income has emerged. A universal basic income is a regular unconditional payment, sufficient for a basic but comfortable living, made to all adults regardless of their background or labour market status. A universal basic income is currently being trialled in countries such as Canada, Finland, the Netherlands and Spain, with mixed results. The value and effectiveness of a universal basic income are under evaluation. ILO has also been examining this approach; however, at this nascent stage, a wide variety of proposals are under consideration.[27]

D. Human-centred and ethical policies

49. In today's workplace, there is increasing insecurity regarding the relationship between people and advanced technology. How are human values, ethics and well-being protected and promoted in such a context? What are the philosophical implications of blurring the boundaries between the physical, biological and digital sphere? Policies are needed "to enable humans to transparently assess a system's incentives and to influence its direction or debate its alteration. An ethical dimension needs to be introduced in the exploitation, for example, of big data and biotechnologies, as well as in examining the tensions between a citizen's right to

[26] World Economic Forum, *Global Risks Report 2017*.

[27] ILO (2017). Global Commission on the Future of Work, available from http://www.ilo.org/global/topics/future-of-work/WCMS_569528/lang--en/index.htm.

privacy and improved security systems through routine surveillance and image analysis.

50. Current attempts to embed such ethical considerations at all stages of research and innovation need to be monitored, developed and coordinated internationally. In the European Human Brain Project, for example, there is an embedded ethics and society programme, which applies the principles of responsible research and innovation.[28] The idea behind this is to engage with external stakeholders early and to foster a process of reflection throughout the different stages of research and technology development with a view to creating mutual responsiveness between researchers, institutions, policymakers and civil society. A responsible research and innovation approach has been adopted by a number of European national funding bodies, in addition to the European Commission, and serves as an example of encouraging public debate on the acceptability, desirability and sustainability of current and emerging technologies.

E. Public-private partnerships for social development

51. As recognized in the 2030 Agenda for Sustainable Development, an enhanced global partnership is needed to ensure the realization of the Sustainable Development Goals for all. This need for partnership is paramount if technological innovation and interconnectivity are to be harnessed to benefit all to promote social progress. Given that the majority, if not all, innovations are owned privately, collaboration is needed between the Government, the private sector and civil society to bring together their specific competencies and assets, in order to balance public interests and private profits. Such partnerships should aim to ensure that the needs, rights and privacy of the public — the users — are protected in an open and transparent manner. In this context, policies on ICT and other infrastructure should be directly embedded into broader national or regional sustainable development policies and plans to meet the public service needs of people with diverse backgrounds.

52. As an outcome of the Tunis phase of the World Summit on the Information Society, held in 2005, the multi-stakeholder Internet Governance Forum was established in 2006 to facilitate open and inclusive dialogue on public policy related to key elements of Internet governance, for example, the sustainability, robustness, security, stability and development of the Internet. At its 2017 session, to be held in Geneva from 18 to 21 December, the Forum will focus on the theme "Shape your digital future".[29]

53. Legal and regulatory frameworks need to be conducive to the new social and business models emerging in the context of new technological innovations. With forward-looking regulatory and legal frameworks, social innovation, co-creation and the collaborative and sharing economy can provide significant potential benefits and new sources of value creation. Guidelines should be created to ensure accountability, transparency and privacy and mitigate the dangers of undermining the economic, social, community and individual benefits through exploitation, loss of rights or reduced quality of services.

[28] European Commission (2012), *Responsible research and innovation — Europe's ability to respond to societal challenges*; European Commission (2013), *Options for strengthening responsible research and innovation*; and Stilgoe and others (2013), *Developing a framework for responsible innovation*.

[29] See www.intgovforum.org.

54. In addition, all segments of society — policymakers, regulators, business leaders, researchers and civil society — should be involved in developing the framework needed to promote the ethical development of artificial intelligence and safeguard against potential abuses. Some steps have been taken in this regard. The Group of 20 (G-20) and Group of Seven (G-7) have undertaken studies on digital transformation, including the impact of artificial intelligence. The Organization for Economic Cooperation and Development held a conference on "AI: intelligent machines, smart policies" in October 2017 to inform its future work and to initiate a broad engagement with the policy, research, academic and public sectors. Similarly, the World Economic Forum convened its annual Global Future Councils event, to be held in Dubai, United Arab Emirates, in November 2017, on the theme "Towards a shared narrative about the future".

55. To harness science, technology and innovation to achieve the Sustainable Development Goals, a Technology Facilitation Mechanism [9] was launched, consisting of three components: (a) an inter-agency task team on science, technology and innovation for the Sustainable Development Goals; (b) a collaborative multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals; and (c) an online platform as a gateway for information on existing science, technology and innovation initiatives, mechanisms and programmes. The outcome of the forum held in 2017 (see E/HLPF/2017/4) highlights, among other actions, the need to build science, technology and innovation capacity in every country, including by strengthening science advisory ecosystems and policy frameworks.

VI. Conclusion and recommendations

56. The present note contains a comprehensive, but not exhaustive overview of trends in innovation, technological advances and interconnectivity, identifying related opportunities and challenges for social development. It has explored the potential role of social policies to ensure that the benefits of technology are shared equitably, while protecting people from potential risks. Tackling the complex task of mitigating the negative effects and maximizing the potential opportunities of technology and innovation requires comprehensive, coherent and integrated policies that promote coordinated action across sectors. This holistic, "whole of society" approach is crucial to protect those who may be left behind and requires action at global and national levels. In this regard, policymakers may wish to consider a number of possible actions.

A. Global level

57. At the global level, policymakers may wish to:

(a) Raise awareness, using data and analysis, of the benefits and potential risks that technology and innovation bring to society. Facilitate global platforms, mechanisms and policy coordination to leverage innovation and interconnectivity for social progress at the international and national levels, and address potential negative consequences, particularly, socioeconomic inequalities, as well as the regional disparities to which technology, infrastructure and interconnectivity often give rise;

[9] See https://sustainabledevelopment.un.org/tfm#forum.

(b) Promote proactive and human-centred ethical policies to enhance accountability, transparency and privacy at all stages of research and innovation in order to protect people from potential risks;

(c) Encourage the development of research and innovation policies as a means of early identification of potential consequences of new technologies. In doing so, incorporate civil society perspectives (civil society organizations, the private sector, academia and scientific institutions) at all stages of the research and innovation life cycle, from agenda-setting to user-testing;

(d) Support and promote international cooperation in technology and innovation for inclusive development in all countries, especially in the least developed countries. The Technology Facilitation Mechanism represents a concrete step towards this end.

B. National level

58. At the national level, policymakers may wish to:

(a) Undertake a proactive national high-quality infrastructure development programme (for example, improve Internet, mobile and broadband coverage) and ensure adequate funding for more general initiatives, such as promoting digital literacy, by creating appropriate incentives, awareness, reward systems and supporting providers and users to support the effective use of technology and interconnectivity for development;

(b) Recognizing the critical role of the private sector, promote public-private partnerships in technology innovation, infrastructure development and maximizing interconnectivity for all. Guide the private sector to move from short-term shareholder value towards shared value to bring benefits to society as a whole, which has become increasingly essential for businesses' profits and survival. In this regard, developing legal and regulatory frameworks and ethical standards is of particular importance so as to encourage the new social innovation and business models, while also mitigating the adverse effects of such technological advances on the well-being of the community and individuals, especially that of low-wage and low-skilled workers, people living in poverty and other disadvantaged social groups;

(c) In the light of anticipated future job losses and job degradation owing to new technology and automation, focus on strengthening social protection systems, labour force up-skilling and innovation systems that augment and improve the quantity and quality of employment;

(d) Promote new and innovative forms of education, skills development and knowledge acquisition to meet the growing challenges of knowledge societies and the knowledge economy, including lifelong and life-wide learning, blended learning, personalized, self-directed and independent learning, as well as crowd and collaborative learning;

(e) Promote youth employment, especially for countries with high youth unemployment and underemployment and rapid population growth, by improving infrastructure and lowering business costs to raise labour demand, as well as upgrading the technological and entrepreneurial skills of young people;

(f) Focus on green growth policies and technologies that promote quality of life and well-being, which is critical to enable socioecological transition, through a shift towards renewable, decentralized electricity generation. Promote the use of

modern science and technology in agricultural production to increase profitability and rural standards of living;

(g) Support grass-roots innovations by working with the poorest and most deprived segments of the population and focusing on their rights and human dignity. Strengthen civil society by supporting non-governmental institutions, such as organizations and community groups, to build the knowledge society and promote social innovation. In this context, putting in place enabling mechanisms for those at the "bottom of the pyramid" in order to foster greater inclusion of disadvantaged population groups is a concrete action area;

(h) Undertake effective and participatory monitoring and evaluation of programmes and their outcomes to ensure policy coherence, effectiveness and adequate outreach to beneficiaries.

59. To discuss and elaborate on the suggestions contained in the present note, the Commission may wish to focus on the following questions in its deliberation on the emerging issues at its fifty-sixth session:

(a) How can the international community ensure that all people, in particular vulnerable social groups and communities, enjoy the benefits of innovation, technology and interconnectivity? What actions can be taken to address existing inequalities in access to technology and innovation?

(b) What can be done to support international cooperation to promote innovation and interconnectivity for the achievement of the Sustainable Development Goals in all countries for all people?

(c) How can Member States and the international community address the disruptive effects of technological innovation on work and the economy, such as the potential negative impact of technological advances on employment and job security? Are women and men affected differently by technological advances?

(d) What can be done to ensure that technological advances serve to further social progress and sustainable development for all? What guidance can the Commission provide to the private sector and civil society so that the adoption and enhancement of technology contribute to the greater public good?